

# **MICHIGAN DEPARTMENT OF TRANSPORTATION**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Fiscal Year Ended September 30, 2000 & 1999

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**MICHIGAN DEPARTMENT OF TRANSPORTATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2000**

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**Statements and schedules are rounded to thousands of dollars. Because of this, they may not add to the totals.**

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STATE OF MICHIGAN



JOHN ENGLER, GOVERNOR

**DEPARTMENT OF TRANSPORTATION**

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GREGORY J. ROSINE, DIRECTOR

March 30, 2001

State Transportation Commission  
and  
Gregory J. Rosine, Director  
Michigan Department of Transportation

I am pleased to submit the Comprehensive Annual Financial Report for the Michigan Department of Transportation (Department) for the fiscal years ended September 30, 2000 and 1999. This report is prepared in accordance with generally accepted accounting principles (GAAP). In addition, this report is in compliance with Department of Management and Budget, Administrative Guide to State Government, Procedure 1210.09, which requires state agencies issuing financial reports to be consistent with the State of Michigan Comprehensive Annual Financial Report (SOMCAFR).

This report is prepared by the Bureau of Finance and Administration which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the Department's operations. All disclosures necessary to enable the reader to gain a reasonable understanding of the Department's financial affairs are included.

**REPORTING STANDARDS AND PRESENTATION**

Method of Presentation

This report uses the "reporting pyramid" approach endorsed by the Governmental Accounting Standards Board (GASB). The pyramid does not provide a consolidated department financial statement. Rather, it combines funds with similar accounting objectives in columns of fund types. The statements which reflect these combined fund type columns, together with the related footnotes, are referred to as the "General Purpose Financial Statements."

Following the General Purpose Financial Statements are the combining financial statements, schedules, and statistical data. These statements and schedules provide detail, by fund, for the amounts shown in the fund type columns in the General Purpose Financial Statements. The term "Comprehensive Annual Financial Report" is used to describe all of the data presented in this report.

## Budgetary Reporting

Public Act 431 of 1984 requires the state to adhere to GAAP in calculating fund balance for budgetary purposes. The budgetary basis departs from GAAP only in ways that do not affect unreserved fund balance. Two departures are the use of encumbrances, which GAAP does not require, and the funding of capital lease commitments on a "pay as you go" basis, rather than at lease inception. Compliance with the final updated budget for the annually budgeted operating funds is demonstrated in the budget to actual comparative statements.

## **CONCLUSION**

I wish to express my appreciation to the many people whose dedicated efforts made possible the preparation of this report. I believe their combined efforts have produced a report that will enable decision makers and concerned citizens to better understand and evaluate the Department's financial condition.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne R. Niles', with a stylized flourish at the end.

Wayne R. Niles, Deputy Director  
Bureau of Finance and Administration



COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT 1999-2000

**FINANCIAL SECTION**



## **II. FINANCIAL SECTION**

### **GENERAL PURPOSE FINANCIAL STATEMENTS**

#### **NOTES TO FINANCIAL STATEMENTS**

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 SEPTEMBER 30, 2000 and 1999  
 (In Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES				ACCOUNT GROUPS				TOTALS (Memorandum Only)	
	SPECIAL REVENUE		DEBT SERVICE		TRUST FUNDS		AGENCY FUNDS		GENERAL FIXED ASSETS		GENERAL LONG-TERM OBLIGATIONS			
	2000	1999*	2000	1999	2000	1999	2000**	1999	2000	1999***	2000	1999	2000	1999
<b>ASSETS</b>														
Current Assets:														
Cash and cash equivalents	\$ 176	\$ 36	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 176	\$ 36
Equity in Common Cash	689,483	610,553	--	--	--	4,410	--	119	--	--	--	--	689,483	615,083
Receivables:														
Taxes, interest, and penalties (at net)	97,513	99,866	--	--	--	--	--	--	--	--	--	--	97,513	99,866
Federal aid	142,824	96,621	--	--	23,771	16,760	--	126	--	--	--	--	166,596	113,507
Local units	20,886	22,376	--	--	14,798	10,180	--	--	--	--	--	--	35,684	32,555
Other funds and Components	53,827	66,962	--	--	--	--	--	--	--	--	--	--	53,827	66,962
Miscellaneous	16,430	9,358	--	--	211	67	--	--	--	--	--	--	16,641	9,426
Inventories	6,951	8,568	--	--	--	--	--	--	--	--	--	--	6,951	8,568
Total Current Assets	1,028,091	914,340	--	--	38,780	31,417	--	246	--	--	--	--	1,066,871	946,003
Noncurrent Assets:														
Receivables:														
Taxes	1,691	753	--	--	--	--	--	--	--	--	--	--	1,691	753
Federal aid	1,352	449	--	--	--	--	--	--	--	--	--	--	1,352	449
Local units	33,920	34,251	--	--	--	--	--	--	--	--	--	--	33,920	34,251
Advances to other funds	28,942	33,642	--	--	--	--	--	--	--	--	--	--	28,942	33,642
Land contracts	3,777	3,653	--	--	--	--	--	--	--	--	--	--	3,777	3,653
Miscellaneous	1,609	1,440	--	--	--	--	--	--	--	--	--	--	1,609	1,440
Property, plant and equipment	--	--	--	--	--	--	--	--	215,343	208,664	--	--	215,343	208,664
Amount to be provided for bond retirement	--	--	--	--	--	--	--	--	--	--	836,704	858,941	836,704	858,941
Amount provided for other long-term obligations	--	--	--	--	--	--	--	--	--	--	40,501	37,520	40,501	37,520
Total Noncurrent Assets	71,290	74,187	--	--	--	--	--	--	215,343	208,664	877,205	896,462	1,163,838	1,179,312
Total Assets	\$ 1,099,381	\$ 988,528	\$ --	\$ --	\$ 38,780	\$ 31,417	\$ --	\$ 246	\$ 215,343	\$ 208,664	\$ 877,205	\$ 896,462	\$ 2,230,709	\$ 2,125,316
<b>LIABILITIES AND FUND BALANCES</b>														
Current Liabilities:														
Warrants outstanding	\$ 22,615	\$ 23,598	\$ --	\$ --	\$ 3,413	\$ 4,013	\$ --	\$ 57	\$ --	\$ --	\$ --	\$ --	\$ 26,028	\$ 27,668
Accounts payable	430,771	389,203	--	--	25,618	23,292	--	189	--	--	--	--	456,389	412,684
Contract reserve payable	12,424	10,762	--	--	3,885	3,643	--	--	--	--	--	--	16,309	14,405
Due to other funds and Components	54,046	66,649	--	--	3,345	--	--	--	--	--	--	--	57,391	66,649
Deposits, permits and other liabilities	3,229	2,392	--	--	--	--	--	--	--	--	--	--	3,229	2,392
Deferred revenue	10,454	6,615	--	--	2,519	469	--	--	--	--	--	--	12,974	7,084
Total Current Liabilities	533,539	499,219	--	--	38,780	31,417	--	246	--	--	--	--	572,320	530,882
Long-Term Liabilities:														
Deferred revenue	17,828	15,541	--	--	--	--	--	--	--	--	--	--	17,828	15,541
Advances from other funds	28,942	33,642	--	--	--	--	--	--	--	--	--	--	28,942	33,642
Bonds and notes payable	--	--	--	--	--	--	--	--	--	--	836,704	858,941	836,704	858,941
Other long term liabilities	--	--	--	--	--	--	--	--	--	--	40,501	37,520	40,501	37,520
Total Liabilities	580,309	548,402	--	--	38,780	31,417	--	246	--	--	877,205	896,462	1,496,294	1,476,527
Fund Balance:														
Investment in general fixed assets	--	--	--	--	--	--	--	--	215,343	208,664	--	--	215,343	208,664
Reserved for encumbrances	67,862	62,311	--	--	--	--	--	--	--	--	--	--	67,862	62,311
Reserved for unencumbered restricted revenue balances	212,221	86,388	--	--	--	--	--	--	--	--	--	--	212,221	86,388
Reserved for unencumbered capital outlay and work projects	92,604	148,572	--	--	--	--	--	--	--	--	--	--	92,604	148,572
Reserved for revolving funds	28,387	21,919	--	--	--	--	--	--	--	--	--	--	28,387	21,919
Reserved for construction & debt service	35,901	35,905	--	--	--	--	--	--	--	--	--	--	35,901	35,905
Reserved for noncurrent assets	25,315	25,963	--	--	--	--	--	--	--	--	--	--	25,315	25,963
Total Reserves	462,290	381,058	--	--	--	--	--	--	215,343	208,664	--	--	677,632	589,722
Unreserved	56,782	59,067	--	--	--	--	--	--	--	--	--	--	56,782	59,067
Total Fund Balances	519,072	440,126	--	--	--	--	--	--	215,343	208,664	--	--	734,415	648,789
Total Liabilities and Fund Balances	\$ 1,099,381	\$ 988,528	\$ --	\$ --	\$ 38,780	\$ 31,417	\$ --	\$ 246	\$ 215,343	\$ 208,664	\$ 877,205	\$ 896,462	\$ 2,230,709	\$ 2,125,316

The accompanying notes are an integral part of the financial statements.

\* The FY 99 column has been restated for the State Aeronautics Fund, State Trunkline Fund and the Comprehensive Transportation Fund in the Reserved for revolving funds, Reserved for restricted revenue, and Reserved for noncurrent assets lines. Refer to the combining balance sheet for more details.

\*\* The agency fund was closed to the Metropolitan Planning Fund. See Note 1.

\*\*\*The 1999 figure for General Fixed Assets has been restated to include adjustments for the calculation of real property. Refer to Note 7 for details.



MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 and 1999  
(In Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES		TOTALS (Memorandum Only)	
	SPECIAL REVENUE		DEBT SERVICE		TRUST FUNDS			
	2000	1999*	2000	1999	2000	1999	2000	1999
<b>REVENUES</b>								
Taxes	\$ 1,898,996	\$ 1,847,841	\$ --	\$ --	\$ --	\$ --	\$ 1,898,996	\$ 1,847,841
License and permits	76,094	75,995	--	--	--	--	76,094	75,995
Federal aid	793,796	614,133	--	--	166,468	115,884	960,265	730,018
Local participation	44,101	56,601	--	--	46,504	43,096	90,605	99,697
Interest earnings	34,866	29,500	--	--	--	--	34,866	29,500
Non-operating revenue-bridges	2,389	2,400	--	--	--	--	2,389	2,400
Miscellaneous revenue	32,118	36,205	1	2	492	48	32,611	36,255
<b>Total Revenues</b>	<b>2,882,360</b>	<b>2,662,676</b>	<b>1</b>	<b>2</b>	<b>213,464</b>	<b>159,028</b>	<b>3,095,826</b>	<b>2,821,706</b>
<b>EXPENDITURES</b>								
Administration and Operations:								
Administration and maintenance	347,352	335,991	--	--	--	--	347,352	335,991
Bus operating assistance grants	159,320	161,627	--	--	--	--	159,320	161,627
Other grants	1,070,996	1,055,116	--	--	--	--	1,070,996	1,055,116
Airport development	83,283	89,990	--	--	--	--	83,283	89,990
Non-operating expenditures-bridges	2,367	2,400	--	--	--	--	2,367	2,400
Trust fund construction activity	--	--	--	--	224,493	158,605	224,493	158,605
Capital lease payments	413	405	--	--	--	--	413	405
Bond principal retirement	--	--	26,040	38,150	--	--	26,040	38,150
Bond interest and fiscal charges	--	--	42,377	41,532	--	--	42,377	41,532
<b>Total Administration and Operations</b>	<b>1,663,731</b>	<b>1,645,528</b>	<b>68,417</b>	<b>79,682</b>	<b>224,493</b>	<b>158,605</b>	<b>1,956,641</b>	<b>1,883,814</b>
Capital Outlay:								
Roads and bridges	1,085,383	992,991	--	--	--	--	1,085,383	992,991
Other capital outlay	12,192	24,597	--	--	--	--	12,192	24,597
<b>Total Capital Outlay</b>	<b>1,097,576</b>	<b>1,017,588</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,097,576</b>	<b>1,017,588</b>
<b>Total Expenditures</b>	<b>2,761,307</b>	<b>2,663,116</b>	<b>68,417</b>	<b>79,682</b>	<b>224,493</b>	<b>158,605</b>	<b>3,054,217</b>	<b>2,901,402</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>121,054</b>	<b>(440)</b>	<b>(68,416)</b>	<b>(79,680)</b>	<b>(11,029)</b>	<b>423</b>	<b>41,609</b>	<b>(79,697)</b>
<b>OTHER FINANCING SOURCES</b>								
Michigan Transportation Fund distribution	784,553	765,755	--	--	--	--	784,553	765,755
Grants and transfers from other funds and Components	258,937	153,326	68,417	79,682	11,216	114	338,570	233,122
Capital lease acquisitions	--	755	--	--	--	--	--	755
<b>Total Other Financing Sources</b>	<b>1,043,490</b>	<b>919,836</b>	<b>68,417</b>	<b>79,682</b>	<b>11,216</b>	<b>114</b>	<b>1,123,123</b>	<b>999,631</b>
<b>OTHER FINANCING USES</b>								
Michigan Transportation Fund distribution	784,553	765,755	--	--	--	--	784,553	765,755
Grants and transfers to other funds and Components	232,628	216,369	1	2	187	537	232,816	216,908
Debt service	68,417	79,682	--	--	--	--	68,417	79,682
<b>Total Other Financing Uses</b>	<b>1,085,598</b>	<b>1,061,805</b>	<b>1</b>	<b>2</b>	<b>187</b>	<b>537</b>	<b>1,085,786</b>	<b>1,062,345</b>
<b>Excess of Other Financing Sources Over (Under) Other Financing Uses</b>	<b>(42,108)</b>	<b>(141,970)</b>	<b>68,416</b>	<b>79,680</b>	<b>11,029</b>	<b>(423)</b>	<b>37,337</b>	<b>(62,713)</b>
<b>Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>78,946</b>	<b>(142,410)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>78,946</b>	<b>(142,410)</b>
<b>Fund balances-Beginning of fiscal year</b>	<b>440,126</b>	<b>582,536</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>440,126</b>	<b>582,536</b>
<b>Fund balances-End of fiscal year</b>	<b>\$ 519,072</b>	<b>\$ 440,126</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 519,072</b>	<b>\$ 440,126</b>

The accompanying notes are an integral part of the financial statements.

\* The FY 99 column has been restated for the State Aeronautics Fund to include General Fund expenditures and transfers.  
Refer to the combining income statement for more details.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 and 1999  
(In Thousands)

	2000			1999* **		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Taxes	\$ 1,898,996	\$ 1,898,996	\$ --	\$ 1,847,841	\$ 1,847,841	\$ --
License and permits	76,094	76,094	--	75,995	75,995	--
Federal aid	772,688	772,688	--	592,973	592,973	--
Local participation	43,862	43,973	111	56,113	56,113	--
Interest earnings	32,908	32,908	--	28,676	28,676	--
Non-operating revenue-bridges	2,389	2,389	--	2,400	2,400	--
Miscellaneous revenue	30,748	32,100	1,353	34,911	34,911	--
Total Revenues	2,857,685	2,859,149	1,463	2,638,909	2,638,909	--
<b>EXPENDITURES AND ENCUMBRANCES</b>						
Administration and maintenance	412,190	371,046	41,144	386,353	355,206	31,148
Bus operating assistance grants	161,526	159,362	2,164	163,362	163,285	77
Other grants	1,190,003	1,112,508	77,495	1,156,242	1,091,760	64,483
Airport development	85,982	84,569	1,413	93,317	91,370	1,946
Non-operating expenditure-bridges	2,389	2,367	23	2,400	2,400	--
Total Administration and Operations	1,852,090	1,729,852	122,238	1,801,674	1,704,020	97,654
Roads and bridges	1,059,042	1,055,624	3,419	936,703	936,150	553
Other capital outlay	41,538	12,447	29,091	41,109	24,983	16,126
Total Capital Outlay	1,100,581	1,068,071	32,510	977,812	961,133	16,679
Total Expenditures and Encumbrances	2,952,671	2,797,923	154,748	2,779,485	2,665,153	114,332
Excess Revenue Over (Under)						
Expenditures and Encumbrances	(94,986)	61,226	156,211	(140,576)	(26,244)	114,332
<b>OTHER FINANCING SOURCES</b>						
Michigan Transportation Fund distribution	784,553	784,553	--	765,755	765,755	--
Grants and transfers from other funds and Components	192,616	255,516	62,900	149,894	146,740	(3,153)
Total Other Financing Sources	977,170	1,040,070	62,900	915,649	912,495	(3,153)
<b>OTHER FINANCING USES</b>						
Michigan Transportation Fund distribution	785,352	784,553	799	765,756	765,755	1
Grants and transfers to other funds and Components	229,611	230,731	(1,120)	224,032	216,072	7,960
Debt service	68,418	68,417	2	83,079	79,682	3,397
Total Other Financing Uses	1,083,381	1,083,701	(320)	1,072,867	1,061,509	11,358
Excess Other Financial Sources Over						
(Under) Other Financial Uses	(106,211)	(43,631)	62,580	(157,218)	(149,014)	8,204
Excess of Revenue and Other Financial Sources						
Over (Under) Expenditures, Encumbrances						
and Other Financial Uses	\$ (201,197)	17,594	\$ 218,791	\$ (297,794)	(175,257)	122,537
<b>RECONCILING ITEMS</b>						
Encumbrances at September 30		67,862			62,311	
Funds not annually budgeted		(6,510)			(29,463)	
Net Reconciling Items		61,352			32,848	
Excess of Revenue and Other Financial Sources						
Over (Under) Expenditures and Other						
Financial Uses (GAAP Basis)		78,946			\$ (142,410)	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balance		440,126			582,536	
Ending balances		\$ 519,072			\$ 440,126	

The accompanying notes are an integral part of the financial statements.

\* The FY 99 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual was mis-stated due to an omission of the budget amount for "Other Grants." The more detailed schedule on page 45, however, was correctly stated.

\*\* The FY 99 budget and actual columns have been restated for the State Aeronautics Fund to include General Fund expenditures and transfers. Refer to the combining budget to actual statement for more details.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**Note 1: Significant Accounting Policies**

A. Prior Year Restatements

The Department received a waiver from the State of Michigan's Office of Financial Management granting permission to deviate from figures presented in the prior year SOMCAFR. We restated fiscal year 1999 expenditure amounts in the State Aeronautics Fund related to a General Fund Operating Transfer, and we restated account balances related to the Revolving Loan Program. These restatements do not materially effect the SOMCAFR. Details of the restatements are shown in the accompanying notes and schedules.

B. Reporting Entity

These financial statements report the financial activity of transportation related funds administered by the Department of Transportation (Department). Department administered funds by classification are:

Special Revenue

State Aeronautics Fund  
State Trunkline Fund  
Michigan Transportation Fund  
Blue Water Bridge Fund  
Comprehensive Transportation Fund  
Combined State Trunkline Fund Bond Proceeds Fund  
Combined Comprehensive Transportation Bond Proceeds Fund

Debt Service

Combined State Trunkline Bond and Interest Redemption Fund  
Combined Comprehensive Transportation Bond and Interest Redemption Fund

Expendable Trust

Transportation Related Trust Fund

Agency Fund

Metropolitan Planning Fund

The agency fund, Metropolitan Planning Fund, was closed to the expendable trust fund, Transportation Related Trust Fund, at the end of fiscal year 2000.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2000**

These funds are a part of the State of Michigan reporting entity and are reported in the SOMCAFR. The SOMCAFR provides general disclosures regarding summary of significant accounting policies, treasurer's common cash, pension benefits, compensated absences (annual leave and sick leave accumulations), general long-term obligations, interfund receivables and payables, contingencies, and commitments.

The agency fund, Metropolitan Planning Fund, was closed to the expendable trust fund, Transportation Related Trust Fund, at the end of fiscal year 2000. Changes in the financial activities of this fund have subsequently changed the Department's role from a custodial agent to a trustee.

On September 1, 2000, the International Bridge Authority paid off the 40-year bonds which financed the construction of the International Bridge at Sault Ste. Marie, Michigan. As a result, the International Bridge Authority has been dissolved, and the Michigan Department of Transportation (MDOT) and the St. Mary's River Bridge Company (SMRBC) will share ownership of the International Bridge. A 40-year intergovernmental agreement between MDOT and SMRBC went into effect on September 1, 2000. This agreement formed the Joint International Bridge Authority (JIBA) and the International Bridge Administration (IBA). The JIBA is a non-profit organization which will have six members. Three members will be selected by the Governor of Michigan and three by SMRBC, which is controlled by the Minister of Transport. The IBA is made up of MDOT employees who will be responsible for the administration, operation, repair, and improvement of the International Bridge. Revenue from bridge tolls will cover the expenses of the IBA. Neither owner is required to provide financial support for the bridge.

Summary financial information for the International Bridge Authority as of its fiscal year ended August 31, 2000, with comparative information for the fiscal year ended August 31, 1999, follows (in thousands):

	<u>FY 2000</u>	<u>FY 1999</u>
Assets	\$ 4,093	\$ 4,751
Liabilities	1,675	1,267
Total Equity	2,418 *	3,484
Total Revenues and Other Sources	7,996	8,176
Total Expenditures and Other Uses	9,019	8,582
Excess of Revenue and Other Sources		
Over (Under) Expenditures and Other Uses	(1,023)	(406)
Fixed Assets (Cost)	5,162	4,917
Long-Term Debt (Bonds Payable)	--	2,805
Long-Term Debt (Accrued Compensated Absences)	310	320

\* Total Equity includes a \$43 adjustment for prior period expenses related to service fees for State of Michigan payroll processing.

Note 1 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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The Mackinac Bridge Authority (Authority), a component unit of the State of Michigan, is reported in the SOMCAFR and is not reported in these statements. The Authority issues its own audited financial statements. Further information regarding the relationship between the Department and the Authority is provided in Note 9 of this report.

C. Basis of Presentation

The financial transactions of the Department are recorded in individual funds in the Michigan Administrative Information System (MAIN). The various transportation funds are combined in the SOMCAFR into fund types described as follows:

Governmental Fund Types

Special Revenue Funds: This fund group includes operating funds that account for the proceeds of certain specific revenue sources, which are legally restricted for specified purposes.

Debt Service Funds: This group accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fiduciary Fund Types

Trust and Agency Funds: This group includes assets held by the Department in a trustee or agency capacity. Prior to fiscal year 2000, the Department used two subtypes: expendable trust funds, which are accounted for similar to governmental funds, and agency funds, which are purely custodial in nature and for which asset and liability balances, but not operating results, are included within these statements. At the end of fiscal year 2000, the only agency fund, the Metropolitan Planning Fund, was closed to the expendable trust fund. Changes in the financial activities of this fund changed the Department's role from a custodial agent to a trustee.

Account Groups

General Fixed Assets Group: This group of accounts is used to account for fixed assets (i.e., land, buildings, and equipment) owned by the Department. Infrastructure ("public domain") fixed assets, such as undeveloped State-owned lands, roads, and bridges, are not capitalized.

General Long-term Obligations Group: This group accounts for all of the long-term obligations of the Department, except for those accounted directly in a fund.

TOTALS (MEMORANDUM ONLY)

Amounts in the "total - memorandum only" columns represent summations of the fund types and account groups and are presented only for analytical purposes. The summations include interfund transactions, which have not been eliminated, and the captioned "amounts to be provided," which are not assets in the usual sense. Consequently, amounts shown in the "total - memorandum only" columns are not comparable to a consolidation.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO FINANCIAL STATEMENTS**  
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D. Basis of Accounting

The financial statements contained in this report are prepared on the modified accrual basis of accounting. The modified accrual basis of accounting, fiscal year ends, and accounting practices are explained in more detail in the SOMCAFR.

E. Calculation Practice

Amounts recorded in the Department's financial statements are rounded to thousands of dollars, unless otherwise noted. Because of this, the amounts may not add to the totals.

F. Reserved Fund Balance

A comparative analysis of the State Trunkline Fund reserved fund balance at September 30, 2000 and September 30, 1999, follows (in thousands): Refer to the Combining Balance Sheet for details regarding fiscal year 1999 restatement of Revolving Loan Balances.

	<u>FY 2000</u>	<u>FY 1999</u>
Reserves:		
Capital Outlay:		
Facilities	\$ 32,932	\$ 32,768
Institutional Roads	1,079	1,423
Rail Grade Crossing	--	--
Critical Bridge	--	747
Road and Bridge	<u>41,211</u>	<u>104,598</u>
Total Capital Outlay Reserves	\$ 75,222	\$ 139,537
Encumbrances	23,317	19,570
Restricted Revenue	210,312	83,248
Work Projects	6,507	1,004
Revolving Loan Program	13,987	10,356
Construction and Debt Service	35,901	35,905
Noncurrent Assets:		
Capital Equipment Loans	16,319	15,140
Maintenance Advances	7,645	10,044
Local Unit Loans	<u>--</u>	<u>236</u>
Total Noncurrent Assets	\$ 23,964	\$ 25,420
Total Reserved Fund Balance	<u><u>\$ 389,209</u></u>	<u><u>\$ 315,039</u></u>

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 2: Budgeting and Budgetary Control**

The SOMCAFR provides disclosures regarding budgetary control. The budget column of the budget to actual statement represents legislative authorization after adjustments for carry-overs, transfers, and restricted revenue shortfalls. "Favorable variances" generally reflect unused general purpose spending authority ("lapses") and/or unused restricted revenue authority, which carry over as a reservation of fund balance and/or general purpose revenue exceeding estimates. "Unfavorable variances" reflect either general purpose revenue estimate shortfalls or budgetary overdrafts. If both favorable and unfavorable variances exist for a particular line, the amount shown is the net variance.

The budget and variance amounts shown in the Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual (page 6) for fiscal year 1999, differ from those shown for fiscal year 1999 in last year's 1998-1999 Comprehensive Annual Financial Report (CAFR). The budget amount for the expenditure category "Other grants" was omitted in the printing of the CAFR last year, creating an unfavorable variance for this item. The detailed Combining Schedule (page 45) did correctly present the budget, expenditure and variance for this item.

In 2000 and 1999, amounts were appropriated in the Blue Water Bridge Fund for operational costs and for partial repayment of the loan due to the State Trunkline Fund. A \$2.5 million repayment of the loan was made in fiscal year 2000. A \$3.7 million repayment of the loan was made in fiscal year 1999. The repayment reduced amounts due to other funds. No expenditures were incurred and the related appropriation lapsed.

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**Note 3: Current Receivables**

A. Contested and Delinquent Receivables

Current receivables recorded in the financial statements represent amounts due to the Department as of September 30, 2000 and 1999, and will be collected within 12 months. Receivables not due for collection within 12 months are classified as long-term assets with an offsetting deferred revenue or fund balance reserve. Due to the uncertainty associated with contested receivables in litigation or pending litigation and delinquent receivables referred to a third party for collection, these receivables are recorded in an allowance for doubtful accounts, with the net amount reported in the financial statements (in thousands).

	<u>Contested</u>		<u>Delinquent</u>		<u>Fund Total</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
State Aeronautics Fund	\$6,480	\$ 450	\$ --	\$ --	\$6,480	\$ 450
State Trunkline Fund	43	154	3,025	1,099	3,068	1,253
Comprehensive Transportation Fund	3,000	3,000	700	964	3,700	3,964
State Trunkline Bond Proceeds Fund	--	--	4	--	4	--
Transportation Related Trust Fund	--	--	24	5	24	5
<b>Total Allowance for Doubtful Accounts</b>	<b><u>\$9,523</u></b>	<b><u>\$3,604</u></b>	<b><u>\$3,753</u></b>	<b><u>\$2,068</u></b>	<b><u>\$13,276</u></b>	<b><u>\$5,672</u></b>

B. Taxes Receivable

In the Michigan Transportation Fund, the net amount of current receivables, \$186.4 million and \$162.5 million, and allowances for uncollectible receivables, \$85.4 million and \$60.0 million, were recorded for motor fuel taxes due to the fund as of September 30, 2000 and 1999, respectively. The reporting of a gross receivable net of a related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMCAFR.

Note 3 continued on next page.



MICHIGAN DEPARTMENT OF TRANSPORTATION  
NOTES TO FINANCIAL STATEMENTS  
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C. Federal Highway Administration (FHWA) Receivable

The Department recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, Transportation Related Trust Fund, and the Metropolitan Planning Fund totaling \$132.5 million and \$105.1 million for the fiscal years ending September 30, 2000 and 1999, respectively. Of those amounts \$66.9 million and \$42.0 million, respectively, were recorded from the "To-Be-Billed Summary". The "To-Be-Billed Summary" consists primarily of project costs that exceeded the contract amounts agreed to by the FHWA and represent federal funds earned by the Department but not requested for reimbursement. Consistent with past practices, contract amounts will be increased as federal aid becomes available. No long-term federal aid receivables were recorded for fiscal year ending September 30, 2000.

D. Advance Construction

Under an agreement with FHWA, the Department has, over a period of years, qualified a number of construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the Department, provided that there are adequate federal aid allocations. The arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date or to assist in balancing the federal aid from year to year. At the end of fiscal year 1999, the Department had \$210,175,324 of State Trunkline expenditures on projects not under reimbursement agreement. \$209,972,427 of these expenditures were placed under reimbursement agreement by the end of fiscal year 2000. The remaining \$202,897 is included in the fiscal year 2000 amount below.

At the end of fiscal year 2000, the Department had \$119,490,078 of State Trunkline expenditures on projects not under reimbursement agreement. The fiscal year 2000 expenditures are expected to be placed under reimbursement agreement in fiscal year 2001. For both fiscal years 1999 and 2000, the Department obligated all of its federal aid.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 4: General Long-Term Obligations**

A. Revenue Dedicated Debt

The Department has periodically issued long-term bonds for specific purposes, with the stipulation that financing of debt requirements is to come strictly from designated revenue sources. The State of Michigan's general credit does not support such issues. Public Act 51 of 1951, as amended, provides that monies deposited in the State Trunkline Fund and/or the Comprehensive Transportation Fund are appropriated for specific purposes in order of priority. A sufficient portion of the State Trunkline Fund and the Comprehensive Transportation Fund is irrevocably appropriated to pay, when due, the principal of and interest outstanding on bonds and notes. The State Trunkline Series 1989-A, and the State Trunkline Series 1992 A and B bond issues included capital appreciation bonds (zero coupon bonds) with an ultimate maturity value of \$35.7 million and \$97.7 million, respectively. These bonds are recorded in the amounts of \$23.3 million and \$57.4 million, respectively, which are the accreted values at September 30, 2000. These bonds mature in the years 2004 to 2009, and 2005 to 2012, respectively.

Revenue Dedicated Debt  
Department of Transportation (in thousands)

	Amounts	<u>Outstanding</u>		<u>Maturities</u>		Averag
	<u>Issued</u>	<u>9/30/00</u>	<u>9/30/99</u>	<u>First</u>	<u>Last</u>	<u>Interest</u>
				<u>Year</u>	<u>Year</u>	<u>Rate %</u>
<u>MI Comprehensive Transportation:</u>						
1992 (Series A & B)	164,965	142,410	150,230	1996	2022	5.96
1996 (Series A Refunding)	22,650	22,435	22,510	1998	2014	5.42
1998 (Series A Refunding)	38,640	38,640	38,640	2004	2010	4.66
<u>State Trunkline Funds:</u>						
1989 (Series A)	135,779	23,305	21,772	1994	2017	6.97
1992 (Series A & B)	353,210	178,559	184,558	1999	2021	6.16
1994 (Series A & B)	240,990	42,345	49,865	1994	2007	5.53
1996 (Series A)	54,500	11,120	11,905	1997	2009	5.71
1998 (Series A Refunding)	<u>377,890</u>	<u>377,890</u>	<u>377,890</u>	2005	2026	5.09
<b>Total Revenue</b>						
<b>Dedicated Debt</b>	<b><u>\$ 1,388,62</u></b>	<b><u>\$ 836,704</u></b>	<b><u>\$ 858,941</u></b>			

Note 4 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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Advance Refunding and Defeasance

The Department has issued refunding bond issues to refinance the advance refunding of selected bond issues. A portion of the proceeds of the refunding issues were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. These assets are administered by a trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements, as the Department defeased its obligation for payment of the refunded bonded debt upon completion of the refunding transaction.

The following table summarizes the defeased bonds outstanding at September 30, 2000 and 1999:

Summary of Refunding Transactions  
(In Millions)

<u>Bond Series</u>	<u>Amount Refunded</u>	<u>Balance with Trustee</u>	
		<u>2000</u>	<u>1999</u>
Comprehensive Transportation Bonds:			
Series 1985	\$ 27.2	\$ --	\$ 6.1
Series 1992A	5.3	5.1	5.1
State Trunkline Fund Bonds:			
Series 1992A	134.7	131.2	131.2
Series 1992B	56.8	56.8	56.8
Series 1994A	112.8	112.8	112.8
Series 1996A	<u>41.2</u>	<u>41.2</u>	<u>41.2</u>
TOTAL	<u>\$378.0</u>	<u>\$347.1</u>	<u>\$353.2</u>

Note 4 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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B. Other General Long-Term Obligations

Capital Leases:

Capitalized lease liabilities are described in more detail in Note 5.

Compensated Absences:

Compensated absences liabilities are detailed in Note 6.

Claims and Judgments:

The liability recorded for claims and judgments consists of projected amounts for highway-related negligence cases based upon historical loss ratios. It should be stressed that the Department continues to vigorously contest all of these claims and that the Department may incur no liability in the individual cases involved. Therefore, the allowance for litigation losses may be overstated (to the extent that losses do not occur) or understated (if the losses exceed the projected amounts).

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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Changes in General Long-term Obligations:

Changes in general long-term obligations (in thousands) for the fiscal year ended September 30, 2000 and 1999, are summarized as follows:

	Revenue Dedicated Debt - Oversight Entity		Capital Lease Obligations	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Bonds and Capital Lease Obligations:				
Balance - Beginning	\$ 858,941	\$ 894,010	\$ 1,705	\$ 1,395
New bond issues/capital lease additions and adjustments	--	--	43	310
Accretion on Capital Appreciation Bonds	3,803	3,081	--	--
Bond principal retirements/ capital lease payments and deletions	<u>(26,040)</u>	<u>(38,150)</u>	<u>--</u>	<u>--</u>
Balance - Ending	\$ <u>836,704</u>	\$ <u>858,941</u>	\$ <u>1,748</u>	\$ <u>1,705</u>

Other Obligations:	Claims and Judgments		Compensated Absences Liabilities	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Balance - Beginning	\$ 3,788	\$ 10,304	\$ 32,027	\$ 32,469
Net increase (decrease) in estimated liabilities	<u>2,118*</u>	<u>(6,516)</u>	<u>820</u>	<u>(442)</u>
Balance - Ending	\$ <u>5,906</u>	\$ <u>3,788</u>	\$ <u>32,847</u>	\$ <u>32,027</u>

\*In addition to the \$2,118 increase in estimated liabilities for Claims and Judgments shown above (in thousands), the Department has one additional lawsuit on appeal in the amount of \$12,700.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 5: Leases**

The Department leases land, office facilities, office and computer equipment, and other assets under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six month notice requirements in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered in the determination of whether a lease is calculable because the likelihood that such clauses will be exercised is considered remote. Leases that are in the nature of acquisitions are classified as "capital" leases, therefore assets and liabilities are recorded at lease inception. Other leases are classified as "operating" leases, and these are treated as rent commitments rather than acquisitions.

Actual rental expenditures incurred under operating leases totaled \$1,302,003 and \$850,952 during fiscal years 2000 and 1999, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2000 follows (in thousands):

Noncancelable Lease Commitments  
Fiscal Year 2000

Fiscal Year Ended September 30	Operating Leases	Capital Leases			
			Principal	Interest	Executory
<u>Total</u>					
2001	\$ 1,127	\$ 224	\$ 177	\$ 117	\$ 518
2002	694	218	141	110	469
2003	574	186	120	97	403
2004	271	127	106	66	298
2005	156	140	93	66	298
<u>2006 - 2012</u>	<u>- -</u>	<u>854</u>	<u>226</u>	<u>302</u>	<u>1,381</u>
Total	<u>\$ 2,821</u>	<u>\$ 1,748</u>	<u>\$ 861</u>	<u>\$ 758</u>	<u>\$ 3,367</u>

The above schedule is consistent with SOMCAFR in that it does not include leases for state owned buildings, leases for an amount less than \$10,000, lease extensions less than 12 months and lease payment changes less than \$200.

All of the above capital leases are related to governmental fund operations and the total of capital lease principal is recorded as part of the general long-term obligations account group.

Note 5 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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The historical cost of assets acquired under capital leases included in the general fixed assets account group at September 30, 2000 and 1999, follows (in thousands):

	<u>2000</u>	<u>1999</u>
Buildings	\$2,332	\$2,332
Equipment	<u>    --</u>	<u>    --</u>
TOTAL	<u><u>\$2,332</u></u>	<u><u>\$2,332</u></u>

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 6: Employee Benefits - Retirement and Compensated Absences**

A. Retirement Contributions

Department of Transportation employees are members of the State Employees' Retirement System. Retirement contributions are expended from the Department's special revenue funds to the State Employees' Retirement Fund.

The Department's retirement contributions were as follows (in thousands):

	<u>2000</u>	<u>1999</u>
State Trunkline Fund	\$15,827	\$14,481
Comprehensive Transportation Fund	601	526
State Aeronautics Fund	<u>349</u>	<u>322</u>
 Total Department of Transportation Contributions	 <u>\$16,777</u>	 <u>\$15,329</u>

B. Compensated Absences

The Department has accrued liabilities for compensated absences as required by GASB. Liabilities related to governmental fund types are recorded in the General Long-Term Obligations account group in the SOMCAFR, unless the liability is "due and payable" (i.e., liabilities are recognized in the year employee leaves State service) at year-end. The amount "due and payable" is reflected in the "Accounts payable" line of the balance sheet.

Note 6 continued on next page.



MICHIGAN DEPARTMENT OF TRANSPORTATION  
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The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2000 and 1999 (in thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Total</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
State						
Trunkline Fund	\$16,925	\$16,911	\$13,590	\$12,886	\$30,515	\$29,797
Comprehensive						
Transportation Fund	735	735	541	501	1,275	1,236
State Aeronautics						
Fund	546	523	347	324	893	847
Blue Water Bridge	<u>82</u>	<u>77</u>	<u>82</u>	<u>70</u>	<u>164</u>	<u>147</u>
<b>TOTAL</b>	<u><u>\$18,288</u></u>	<u><u>\$18,247</u></u>	<u><u>\$14,559</u></u>	<u><u>\$13,781</u></u>	<u><u>\$32,847</u></u>	<u><u>\$32,027</u></u>

If a Department employee transfers to another department, the related compensated absence liability is assumed by the employee's new department.

For a more detailed explanation of retirement benefits and compensated absence accruals, refer to the SOMCAFR.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 7: General Fixed Assets**

Classification: The following table summarizes, by major class of asset, fiscal year 2000 changes in recorded costs for the general fixed assets account group (in millions):

Changes in General Fixed Assets Fiscal Year 2000					
	Balance Sept. 30, <u>1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance Sept. 30, <u>2000</u>
Land	\$ 10.3	\$ --	\$ --	\$ .5	\$ 10.8
Buildings	91.1	4.2	--	2.0	97.3
Equipment	101.9	15.8	15.5	5.0*	107.2
Equity Interest in Joint Ventures	<u>5.4</u>	<u>--</u>	<u>--</u>	<u>(5.4)</u>	<u>--</u>
Total General Fixed Assets	<u>\$ 208.7</u>	<u>\$ 20.0</u>	<u>\$ 15.5</u>	<u>\$ 2.1</u>	<u>\$ 215.3</u>

\*Adjustments to Equipment include the addition of \$7.3 for buses not included in prior year's schedules for loaner buses returned from local agencies.

Funding Source: Following is a summary of funding sources for investments in general fixed assets as of September 30, 2000 (in millions):

<u>Fund</u>	<u>Investment 2000</u>
State Trunkline Fund	\$183.7
Comprehensive Transportation Fund	17.8
State Aeronautics Fund	<u>13.8</u>
Total Investment in General Fixed Assets	<u>\$215.3</u>

For the presentation of Fixed Assets in the 1999 CAFR, the Department received a waiver from the State of Michigan's Office of Financial Management granting permission to deviate from the figures presented in SOMCAFR. These variances related to the calculation of real property (Land and Buildings). The methods used to produce SOMCAFR did not materially affect its presentation of real property. However, the same methods applied to the Department's real property did cause material misstatements making it necessary to value fixed assets at historical cost. During fiscal year 2000, the variance was resolved. The beginning and ending balances for real property are now the same as those presented in SOMCAFR.

Note 7 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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Construction in Progress: Following is summary information regarding General Fixed Asset projects included in construction in progress as of September 30, 2000 (in millions):

<u>Project</u>	Estimated <u>Cost</u>	<u>Fiscal Year 2000</u>	
		<u>Authorized</u>	<u>Expended</u>
Various Projects	<u>\$ 5.2</u>	<u>\$ 5.2</u>	<u>\$ --</u>
Totals	<u>\$ 5.2</u>	<u>\$ 5.2</u>	<u>\$ --</u>

In addition to the projects noted above, the Department has planned other construction projects which were unfunded as of September 30, 2000. The costs of these projects, as well as the unfunded portion of projects currently in progress, will be funded from future years' resources.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 8: Excess of Expenditures Over Appropriation**

Budgetary control for State Trunkline Fund, Blue Water Bridge Fund, State Aeronautics Fund, Michigan Transportation Fund, and Comprehensive Transportation Fund expenditures is established by line-item appropriation within each fund's total appropriation.

The Department incurred no overexpenditures in fiscal year 2000 or in fiscal year 1999.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
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**Note 9: Interfund Commitments, Receivables and Payables - State Trunkline Fund and Michigan Transportation Fund**

The Mackinac Bridge Authority (Authority), which is reported as a governmental component unit in the SOMCAFR, has over the years received \$75.3 million of subsidies for operations (\$12.3 million) and debt service (\$63.0 million). These subsidies were provided by the State Trunkline Fund and the Michigan Transportation Fund, respectively, both of which are special revenue funds. The Authority redeemed its remaining bonds on July 1, 1986.

State statutes require that the Authority continue charging bridge tolls and begin repaying the State Trunkline Fund and the Michigan Transportation Fund for the subsidies provided. These repayments would continue until such time as the subsidies have been completely returned. Executive Order 1986-14 created the Governor's Mackinac Bridge Task Force to develop an advisory proposal concerning reimbursement of the subsidies, future funding of repair and renovation costs, and the bridge toll structure. The Authority has not recorded a liability, and the state funds have not recorded receivables for these subsidies, because the reimbursements are contingent upon future net revenues, and because the repayment commitment is long-term and budgetary in nature. Repayments may be authorized by the Authority, after consideration of the Authority's annual needs for its operations and planned repairs and improvements.

The Authority repaid \$7.5 million in fiscal year 1993, \$250,000 in fiscal year 1998, \$250,000 in fiscal year 1999, and \$250,000 in fiscal year 2000, to the Michigan Transportation Fund. The previously recorded \$1.0 million repaid by the Authority was properly classified as repayment to the Michigan Transportation Fund in fiscal year 1998. These repayments come directly from the revenue generated by bridge tolls, and are not included as a financing use of the State Trunkline Fund. A balance of \$53,750,000 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2000, SOMCAFR reported transactions with component units, including the Mackinac Bridge Authority, separately from other funds. A current receivable for \$910,521.66 related to the Mackinac Bridge Authority's transactions is recorded in the State Trunkline Fund's balance sheet as amounts due from component units. The amount due from the Mackinac Bridge Authority and other current interfund transactions of the State Trunkline Fund and the Michigan Transportation Fund with other funds of the State of Michigan are shown in the following table (in thousands):

Note 9 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

	State Trunkline Fund		Michigan Transportation Fund	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
<b><u>Balance Sheet</u></b>				
Current Receivables:				
Amounts due from other funds	\$ 42,313	\$ 51,776	\$ --	\$ --
Amounts due from component units	<u>911</u>	<u>1,269</u>	<u>--</u>	<u>--</u>
Total amounts due from other funds and component units	<u>\$ 43,224</u>	<u>\$ 53,045</u>	<u>\$ --</u>	<u>\$ --</u>
Current Payables:				
Due to other funds	\$ 1,062	\$ 897	\$ 47,916	\$ 62,894
Total due to other funds	<u>\$ 1,062</u>	<u>\$ 897</u>	<u>\$ 47,916</u>	<u>\$ 62,894</u>
<b><u>Statement of Revenues, Expenditures, and Changes in Fund Balances</u></b>				
Other Financing Sources:				
Transfers from other funds	\$865,110	\$745,455	\$ 2,557	\$ 572
Capital lease acquisitions	<u>--</u>	<u>755</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources	<u>\$865,110</u>	<u>\$746,210</u>	<u>\$ 2,557</u>	<u>\$ 572</u>
Other Financing Uses:				
Transfers to other funds	\$ 21,553	\$ 16,138	\$990,858	\$965,167
Debt Service	<u>44,897</u>	<u>55,672</u>	<u>--</u>	<u>--</u>
Total Other Financing Uses	<u>\$ 66,451</u>	<u>\$ 71,810</u>	<u>\$990,858</u>	<u>\$965,167</u>

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**Note 10: Contingencies and Commitments**

A. Litigation

The Department is party to various legal proceedings seeking damages and other relief including injunctive or mandatory relief. The ultimate disposition of such legal proceedings is not presently determinable, but such ultimate disposition and consequences of all these legal proceedings will not, themselves, in the opinion of the State of Michigan's Attorney General, have a materially adverse effect on the Department's financial position.

The Department accrues liabilities related to significant legal proceedings if a loss is probable and reasonably estimable. In the event that a significant, probable, and reasonably estimable loss is not settled prior to preparation of these statements, the obligation is recorded as a general long-term liability. See Note 4 for more information.

B. Federal Grants

Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. As of September 30, 2000 and 1999, the Department estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Construction Projects

The Department has entered into construction contracts for transportation related special revenue funds and trust funds. As of September 30, 2000 and 1999, the balances remaining on these contracts equaled \$500.2 million and \$544.4 million, respectively. As of September 30, 2000 and 1999, the balances remaining on these contracts, less the trust fund equaled \$423.6 million and \$455.2 million, respectively. As of September 30, 2000 and 1999, the balances remaining on these contracts in the State Trunkline Fund equaled \$390.2 million and \$422.9 million, respectively.



## **II. FINANCIAL SECTION**

### **SUPPLEMENTAL FINANCIAL DATA**

### **COMBINING FINANCIAL STATEMENTS AND SCHEDULES**



**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2000**

**MICHIGAN TRANSPORTATION FUND**

This fund, established by Public Act 51 of 1951, Section 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, some of the fund revenue is collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Trunkline Fund, Comprehensive Transportation Fund, the Economic Development Sub-Fund, and the Recreation Improvement Sub-Fund in accordance with the statutory formula. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formula.

**STATE TRUNKLINE FUND**

This fund provides for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Major financing sources are transfers from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with statutory provisions, unencumbered balances at fiscal year end are transferred to the road and bridge construction account.

In fiscal year 1999, the State Trunkline Fund was also used to record loans made to local units of government for reconstructing and resurfacing roadways. Funds for such loans were made available by transfer from the 1983 State Trunkline Fund Bond Proceeds Fund and the 1984 State Trunkline Fund Bond Proceeds Fund. Loan repayments, which are received directly by the State Trunkline Fund, are not pledged to the payment of the bonds related to the loans. During fiscal year 1999 all loans to locals for reconstructing and resurfacing roadways were repaid with no balance remaining at year end 1999.

In fiscal year 1988, the Economic Development Fund (EDF), a sub-fund, was created within the State Trunkline Fund. The statements for the State Trunkline Fund include the financial activity for EDF. A separate schedule summarizing EDF activity is included in the Statistical Section of this report.

**BLUE WATER BRIDGE FUND**

The fund was administratively established to account for the Blue Water Bridge project. Through provisions of Section 1012 in the federal ISTEA Act of 1991, the State Trunkline Fund received federal funds to be loaned to the Blue Water Bridge Fund for construction of the Blue Water Bridge project. Repayment of the \$45 million loan began in 1998. Repayments of the loan are expected to occur each fiscal year. The term of the loan will not exceed 30 years from the time the loan was obligated.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2000**

**COMPREHENSIVE TRANSPORTATION FUND**

The Comprehensive Transportation Fund was created for the purpose of planning, developing and funding public transportation systems within the State. It was created by Public Acts 326, 327, and 328 of 1972, and Public Act 197 of 1973. In 1975, Public Acts 195, 196, and 239 were enacted, providing further additions and amendments to the laws governing this fund. Fund revenues consist primarily of federal and local revenues, vehicle-related sales tax, and transfers from the Michigan Transportation Fund. In accordance with statutory provisions, any unencumbered balance at fiscal year end lapses and reverts to the fund for appropriation in the following fiscal year.

**STATE AERONAUTICS FUND**

This fund, established by Public Act 327 of 1945, administers development and capital improvement projects for local airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal and local contributions and aviation fuel taxes. Expenditures and transfers are for administration and local airport improvement project costs. At fiscal year end, in accordance with statutory provisions, any unencumbered balance lapses and reverts to the fund for appropriation in the following fiscal year.

**COMBINED STATE TRUNKLINE FUND BOND PROCEEDS FUND**

A separate fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund.

The Combined State Trunkline Fund Bond Proceeds Fund consists of the following funds:

**1989 STATE TRUNKLINE FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$136 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved issuance of \$136 million of Series A bonds in 1989. Approximately \$100 million of the proceeds are to be used for Transportation Economic Development Fund projects, and approximately \$30 million of the proceeds are to be used for the purchase of right-of-ways.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**COMBINED STATE TRUNKLINE FUND BOND PROCEEDS FUND** (continued)

**1992 STATE TRUNKLINE FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$205.2 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan, but are payable solely out of the funds restricted as to use for state trunkline purposes by Section 9 Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

**1992 STATE TRUNKLINE FUND CRITICAL BRIDGE BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act of 1951, as amended, to account for the proceeds of up to \$30 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan, but are payable solely out of the funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved the issuance of \$253.6 million of Series A bonds in 1992. Approximately \$30 million of the proceeds are to be used to finance the costs of reconstruction and repair of critical bridge projects.

**1994 STATE TRUNKLINE FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$150 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Approximately \$149.2 million of the proceeds are to be used to finance the construction of various trunkline transportation projects.

**1996 STATE TRUNKLINE FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$54.5 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND**

A separate fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund.

The Combined Comprehensive Transportation Bond Proceeds Fund consists of the following fund:

**1992 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.2 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

The State Transportation Commission approved the issuance of \$37.6 million of Series A bonds in 1992. Approximately \$35.2 million of the proceeds are to be used to finance the costs of construction and acquisition of comprehensive transportation projects.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
 SEPTEMBER 30, 2000 and 1999  
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		STATE TRUNKLINE FUND		BLUE WATER BRIDGE FUND		COMPREHENSIVE TRANSPORTATION FUND		STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND		TOTALS	
	2000	1999	2000	1999*	2000	1999	2000	1999*	2000	1999*	2000	1999	2000	1999	2000	1999
<b>ASSETS</b>																
Current Assets:																
Cash and cash equivalents	\$ --	\$ --	\$ 160	\$ 10	\$ 16	\$ 25	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 176	\$ 36
Equity in Common Cash	177,929	197,470	368,113	293,797	15,115	12,721	82,727	63,506	13,938	15,656	19,966	15,283	11,696	12,120	689,483	610,553
Receivable:																
Taxes, interest, and penalties (at net)	96,754	99,061	--	--	--	--	--	--	759	805	--	--	--	--	97,513	99,866
Federal aid	--	--	106,424	74,035	--	--	6,502	7,160	27,636	1,141	2,262	14,285	--	--	142,824	96,621
Local units	--	--	17,150	18,281	--	--	238	129	3,171	3,432	327	534	--	--	20,886	22,376
Other funds and components units	--	--	43,224	53,045	--	--	10,603	13,918	--	--	--	--	--	--	53,827	66,962
Miscellaneous	4,176	3,512	6,944	5,255	4,120	--	837	281	89	38	264	271	--	--	16,430	9,358
Inventories	--	--	6,951	8,568	--	--	--	--	--	--	--	--	--	--	6,951	8,568
Total Current Assets	278,859	300,044	548,967	452,991	19,250	12,746	100,907	84,994	45,593	21,073	22,819	30,373	11,696	12,120	*****	914,340
Noncurrent Assets:																
Receivables:																
Taxes	1,562	753	--	--	--	--	--	--	129	--	--	--	--	--	1,691	753
Federal aid	--	--	--	--	--	--	--	--	1,352	449	--	--	--	--	1,352	449
Local units	--	--	31,084	31,367	--	--	1,997	1,921	839	964	--	--	--	--	33,920	34,251
Advances to other funds	--	--	28,942	33,642	--	--	--	--	--	--	--	--	--	--	28,942	33,642
Land contracts	--	--	3,777	3,653	--	--	--	--	--	--	--	--	--	--	3,777	3,653
Miscellaneous	--	--	--	--	--	--	1,609	1,440	--	--	--	--	--	--	1,609	1,440
Total Noncurrent Assets	1,562	753	63,802	68,661	--	--	3,606	3,361	2,320	1,413	--	--	--	--	71,290	74,187
Total Assets	\$ 280,421	\$ 300,796	\$ 612,768	\$ 521,652	\$ 19,250	\$ 12,746	\$ 104,513	\$ 88,355	\$ 47,913	\$ 22,485	\$ 22,819	\$ 30,373	\$ 11,696	\$ 12,120	\$ *****	\$ 988,528
<b>LIABILITIES AND FUND BALANCES</b>																
Current Liabilities:																
Warrants outstanding	\$ 1,182	\$ 1,503	\$ 19,895	\$ 19,666	\$ --	\$ 11	\$ 555	\$ 1,508	\$ 411	\$ 222	\$ 571	\$ 687	\$ --	\$ --	\$ 22,615	\$ 23,598
Accounts payable	226,971	235,647	157,379	134,522	184	190	16,303	7,721	26,824	6,537	3,109	4,447	1	139	430,771	389,203
Contract reserve payable	--	--	10,319	8,892	--	--	36	68	840	695	1,229	1,104	--	3	12,424	10,762
Amounts due to other funds and components units	47,916	62,894	1,062	897	5,013	2,811	33	29	21	18	--	--	--	--	54,046	66,649
Deposits, permits and other liabilities	--	--	1,987	1,602	--	--	1,242	790	--	--	--	--	--	--	3,229	2,392
Deferred revenue	2,789	--	3,193	3,475	309	96	69	--	3,698	2,647	397	397	--	--	10,454	6,615
Total Current Liabilities	278,859	300,044	193,835	169,055	5,506	3,109	18,238	10,116	31,794	10,118	5,306	6,634	1	143	533,539	499,219
Long-Term Liabilities:																
Deferred revenue	1,562	753	14,527	13,553	--	--	1,609	1,234	130	--	--	--	--	--	17,828	15,541
Advances from other funds	--	--	--	--	28,942	33,642	--	--	--	--	--	--	--	--	28,942	33,642
Total Liabilities	280,421	300,796	208,362	182,608	34,448	36,750	19,847	11,351	31,924	10,119	5,306	6,634	1	143	580,309	548,402
Fund Balances:																
Reserved for encumbrances	--	--	23,317	19,570	--	--	43,132	41,136	1,412	1,605	--	--	--	--	67,862	62,311
Reserved for unencumbered restricted revenue balances	--	--	210,312	83,248	--	--	1,760	2,841	150	300	--	--	--	--	212,221	86,388
Reserved for unencumbered capital outlay and work projects	--	--	81,729	140,541	--	--	--	--	10,875	8,032	--	--	--	--	92,604	148,572
Reserved for revolving loan programs	--	--	13,987	10,356	--	--	12,200	9,583	2,200	1,981	--	--	--	--	28,387	21,919
Reserved for construction & debt service	--	--	35,901	35,905	--	--	--	--	--	--	--	--	--	--	35,901	35,905
Reserved for noncurrent assets	--	--	23,964	25,420	--	--	--	94	1,352	449	--	--	--	--	25,315	25,963
Total Reserved	--	--	389,209	315,039	--	--	57,092	53,654	15,989	12,366	--	--	--	--	462,290	381,058
Unreserved	--	--	15,197	24,004	(15,197)	(24,004)	27,575	23,350	1	1	17,512	23,739	11,694	11,978	56,782	59,067
Total Fund Balances	--	--	404,406	339,043	(15,197)	(24,004)	84,667	77,004	15,989	12,367	17,512	23,739	11,694	11,978	519,072	440,126
Total Liabilities and Fund Balances	\$ 280,421	\$ 300,796	\$ 612,768	\$ 521,652	\$ 19,250	\$ 12,746	\$ 104,513	\$ 88,355	\$ 47,913	\$ 22,485	\$ 22,819	\$ 30,373	\$ 11,696	\$ 12,120	\$ *****	\$ 988,528

\* The FY 1999 column has been restated to reclass current receivables of the SIB revolving loan program from the Reserve for Restricted Revenue line to the Reserve for Revolving Loans line. It has also been restated to reclassify the non-current receivables to the Reserve for Revolving Loans line, which were previously reserved under the Non-Current Assets line.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 and 1999  
(IN THOUSANDS)

	MICHIGAN TRANSPORTATION FUND		STATE TRUNKLINE FUND		BLUE WATER BRIDGE FUND		COMPREHENSIVE TRANSPORTATION FUND		STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND		TOTALS	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999*	2000	1999	2000	1999	2000	1999
<b>REVENUES</b>																
Taxes	\$ 1,821,564	\$ 1,776,210	\$ --	\$ --	\$ --	\$ --	\$ 69,699	\$ 63,241	\$ 7,732	\$ 8,390	\$ --	\$ --	\$ --	\$ --	\$ 1,898,996	\$ 1,847,841
License and permits	55,171	56,971	20,357	18,553	--	--	268	218	299	253	--	--	--	--	76,094	75,995
Federal aid	--	--	696,174	523,295	--	--	18,006	18,578	58,508	51,100	21,109	21,161	--	--	793,796	614,133
Local participation	--	--	32,520	43,302	--	--	295	81	11,159	12,731	128	488	--	--	44,101	56,601
Interest earnings on common cash	13,271	11,024	15,999	14,955	986	650	2,005	1,365	647	681	1,227	122	730	702	34,866	29,500
Non-operating revenue-bridges	--	--	2,389	2,400	--	--	--	--	--	--	--	--	--	--	2,389	2,400
Miscellaneous revenue	8	51	14,101	16,756	15,548	10,804	1,322	6,226	1,121	1,074	18	11	--	1,283	32,118	36,205
<b>Total Revenues</b>	<b>1,890,014</b>	<b>1,844,257</b>	<b>781,539</b>	<b>619,260</b>	<b>16,535</b>	<b>11,454</b>	<b>91,595</b>	<b>89,709</b>	<b>79,466</b>	<b>74,229</b>	<b>22,482</b>	<b>21,781</b>	<b>730</b>	<b>1,985</b>	<b>2,882,360</b>	<b>2,662,676</b>
<b>EXPENDITURES</b>																
Administration and Operations:																
Administration and maintenance	28	55	327,768	313,590	3,130	2,729	9,811	10,872	6,614	8,745	--	--	--	--	347,352	335,991
Bus operating assistance grants	--	--	--	--	--	--	159,320	161,627	--	--	--	--	--	--	159,320	161,627
Other grants	901,684	879,607	119,277	130,775	--	--	49,025	42,342	--	--	--	--	1,010	2,391	1,070,996	1,055,116
Airport development	--	--	--	--	--	--	--	--	83,283	89,990	--	--	--	--	83,283	89,990
Non-operating expenditures-bridges	--	--	2,367	2,400	--	--	--	--	--	--	--	--	--	--	2,367	2,400
Capital lease payments	--	--	413	405	--	--	--	--	--	--	--	--	--	--	413	405
<b>Total Administration and Operations</b>	<b>901,713</b>	<b>879,662</b>	<b>449,824</b>	<b>447,169</b>	<b>3,130</b>	<b>2,729</b>	<b>218,156</b>	<b>214,842</b>	<b>89,897</b>	<b>98,734</b>	<b>--</b>	<b>--</b>	<b>1,010</b>	<b>2,391</b>	<b>1,663,731</b>	<b>1,645,528</b>
Capital Outlay:																
Roads and bridges	--	--	1,052,871	935,457	2,277	405	--	--	--	--	30,235	57,129	--	--	1,085,583	992,991
Other capital outlay	--	--	12,140	24,541	--	--	--	--	53	56	--	--	--	--	12,192	24,597
<b>Total Capital Outlay</b>	<b>--</b>	<b>--</b>	<b>1,065,011</b>	<b>959,998</b>	<b>2,277</b>	<b>405</b>	<b>--</b>	<b>--</b>	<b>53</b>	<b>56</b>	<b>30,235</b>	<b>57,129</b>	<b>--</b>	<b>--</b>	<b>1,097,576</b>	<b>1,017,588</b>
<b>Total Expenditures</b>	<b>901,713</b>	<b>879,662</b>	<b>1,514,835</b>	<b>1,407,167</b>	<b>5,407</b>	<b>3,135</b>	<b>218,156</b>	<b>214,842</b>	<b>89,950</b>	<b>98,790</b>	<b>30,235</b>	<b>57,129</b>	<b>1,010</b>	<b>2,391</b>	<b>2,761,307</b>	<b>2,663,116</b>
Excess of Revenues Over (Under) Expenditures	988,301	964,595	(733,296)	(787,907)	11,128	8,320	(126,561)	(125,133)	(10,484)	(24,562)	(7,753)	(35,347)	(280)	(405)	121,054	(440)
<b>OTHER FINANCING SOURCES</b>																
Michigan transportation fund distribution	--	--	627,699	612,708	--	--	156,854	153,047	--	--	--	--	--	--	784,553	765,755
Grants and transfers from other funds and Components	2,557	572	237,411	132,747	--	--	1,198	1,234	14,351	12,187	3,421	6,586	--	--	258,937	153,326
Proceeds from bond issues	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital lease acquisitions	--	--	--	755	--	--	--	--	--	--	--	--	--	--	--	755
<b>Total Other Financing Sources</b>	<b>2,557</b>	<b>572</b>	<b>865,110</b>	<b>746,210</b>	<b>--</b>	<b>--</b>	<b>158,052</b>	<b>154,281</b>	<b>14,351</b>	<b>12,187</b>	<b>3,421</b>	<b>6,586</b>	<b>--</b>	<b>--</b>	<b>1,043,490</b>	<b>919,836</b>
<b>OTHER FINANCING USES</b>																
Michigan transportation fund distribution	784,553	765,755	--	--	--	--	--	--	--	--	--	--	--	--	784,553	765,755
Grants and transfers to other funds and Components	206,304	199,412	21,553	16,138	9	7	2,620	249	244	267	1,894	293	3	4	232,628	216,369
Debt service	--	--	44,897	55,672	2,312	2,079	21,208	21,931	--	--	--	--	--	--	68,417	79,682
<b>Total Other Financing Uses</b>	<b>990,858</b>	<b>965,167</b>	<b>66,451</b>	<b>71,810</b>	<b>2,320</b>	<b>2,086</b>	<b>23,828</b>	<b>22,180</b>	<b>244</b>	<b>267</b>	<b>1,894</b>	<b>293</b>	<b>3</b>	<b>4</b>	<b>1,085,598</b>	<b>1,061,805</b>
Excess of Other Financing Sources Over (Under) Other Financing Uses	(988,301)	(964,595)	798,659	674,400	(2,320)	(2,086)	134,224	132,102	14,107	11,920	1,527	6,293	(3)	(4)	(42,108)	(141,970)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	--	--	65,363	(113,508)	8,807	6,234	7,663	6,969	3,623	(12,641)	(6,226)	(29,054)	(283)	(409)	78,946	(142,410)
Fund balances-Beginning of fiscal year	--	--	339,043	452,551	(24,004)	(30,238)	77,004	70,035	12,367	25,008	23,739	52,793	11,978	12,387	440,126	582,536
Fund balances-End of fiscal year	\$ --	\$ --	\$ 404,406	\$ 339,043	\$ (15,197)	\$ (24,004)	\$ 84,667	\$ 77,004	\$ 15,990	\$ 12,367	\$ 17,512	\$ 23,739	\$ 11,694	\$ 11,978	\$ 519,072	\$ 440,126

\* The FY 1999 column has been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2000  
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND			STATE TRUNKLINE FUND			BLUE WATER BRIDGE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>									
Taxes	\$ 1,821,564	\$ 1,821,564	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
License and permits	55,171	55,171	--	20,357	20,357	--	--	--	--
Federal aid	--	--	--	696,174	696,174	--	--	--	--
Local participation	--	--	--	32,409	32,520	111	--	--	--
Interest earnings	13,271	13,271	--	15,999	15,999	--	986	986	--
Nonoperating revenue-bridges	--	--	--	2,389	2,389	--	--	--	--
Miscellaneous revenue	8	8	--	12,832	14,101	1,268	15,548	15,548	--
Total Revenues	1,890,014	1,890,014	--	780,160	781,539	1,379	16,535	16,535	--
<b>EXPENDITURES AND ENCUMBRANCES</b>									
Administration and maintenance	--	28	(28)	382,849	350,606	32,244	10,095	3,286	6,809
Bus operating assistance grants	--	--	--	--	--	--	--	--	--
Other grants	902,657	901,684	972	189,168	119,282	69,886	--	--	--
Airport development	--	--	--	--	--	--	--	--	--
Nonoperating expenditure-bridges	--	--	--	2,389	2,367	23	--	--	--
Total Administration and Operations	902,657	901,713	944	574,407	472,255	102,152	10,095	3,286	6,809
Roads and bridges	--	--	--	1,056,766	1,053,347	3,419	2,277	2,277	--
Other capital outlay	--	--	--	41,485	12,395	29,091	--	--	--
Total Capital Outlay	--	--	--	1,098,251	1,065,742	32,509	2,277	2,277	--
Total Expenditures and Encumbrances	902,657	901,713	944	1,672,658	1,537,997	134,662	12,371	5,563	6,809
Excess of Revenue Over(Under) Expenditures and Encumbrances	987,357	988,301	944	(892,498)	(756,457)	136,041	4,163	10,972	6,809
<b>OTHER FINANCING SOURCES</b>									
Michigan transportation fund distribution	--	--	--	627,699	627,699	--	--	--	--
Grants and transfers from other funds and Components	2,557	2,557	--	174,511	237,411	62,900	--	--	--
Total Other Financing Sources	2,557	2,557	--	802,210	865,110	62,900	--	--	--
<b>OTHER FINANCING USES</b>									
Michigan Transportation Fund distribution	785,352	784,553	799	--	--	--	--	--	--
Grants and transfers to other funds and Components	218,908	206,304	12,603	10,163	21,553	(11,391)	--	9	(9)
Debt service	--	--	--	44,897	44,897	--	2,312	2,312	--
Total Financing Uses	1,004,259	990,858	13,402	55,060	66,451	(11,391)	2,312	2,320	(9)
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,001,703)	(988,301)	13,402	747,150	798,659	51,509	(2,312)	(2,320)	(9)
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (14,346)	--	\$ 14,346	\$ (145,348)	42,201	\$ 187,550	\$ 1,851	8,651	\$ 6,800
<b>RECONCILING ITEMS</b>									
Encumbrances at September 30	--	--	--	--	23,161	--	--	156	--
Funds not annually budgeted	--	--	--	--	--	--	--	--	--
Net Reconciling Items	--	--	--	--	23,161	--	--	156	--
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)	--	--	--	--	65,363	--	--	8,807	--
<b>FUND BALANCES (GAAP BASIS)</b>									
Beginning of fiscal year	--	--	--	--	339,043	--	--	(24,004)	--
End of fiscal year	\$ --	\$ --	\$ --	\$ 404,406	\$ 404,406	\$ --	\$ (15,197)	\$ (15,197)	\$ --

Statement continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2000  
 (In Thousands)

	COMPREHENSIVE TRANSPORTATION FUND			STATE AERONAUTICS FUND			COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TOTALS		VARIANCE FAVORABLE (UNFAVORABLE)
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>											
Taxes.....	\$ 69,699	\$ 69,699	\$ --	\$ 7,732	\$ 7,732	\$ --	\$ --	\$ --	\$*****	\$*****	\$ --
License and permits.....	268	268	--	299	299	--	--	--	76,094	76,094	--
Federal aid.....	18,006	18,006	--	58,508	58,508	--	--	--	772,688	772,688	--
Local participation.....	295	295	--	11,159	11,159	--	--	--	43,862	43,973	111
Interest earnings.....	2,005	2,005	--	647	647	--	--	--	32,908	32,908	--
Nonoperating revenue-bridges.....	--	--	--	--	--	--	--	--	2,389	2,389	--
Miscellaneous revenue.....	1,238	1,322	84	1,121	1,121	--	--	--	30,748	32,100	1,353
<b>Total Revenues.....</b>	<b>91,511</b>	<b>91,595</b>	<b>84</b>	<b>79,466</b>	<b>79,466</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>*****</b>	<b>*****</b>	<b>1,463</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>											
Administration.....	11,443	10,385	1,057	7,803	6,741	1,063	--	--	412,190	371,046	41,144
Bus operating assistance grants.....	161,526	159,362	2,164	--	--	--	--	--	161,526	159,362	2,164
Other grants.....	98,178	91,541	6,636	--	--	--	--	--	*****	*****	77,495
Airport development.....	--	--	--	85,982	84,569	1,413	--	--	85,982	84,569	1,413
Nonoperating expenditure-bridges.....	--	--	--	--	--	--	--	--	2,389	2,367	23
<b>Total Administration and Operations.....</b>	<b>271,146</b>	<b>261,288</b>	<b>9,858</b>	<b>93,785</b>	<b>91,310</b>	<b>2,475</b>	<b>--</b>	<b>--</b>	<b>*****</b>	<b>*****</b>	<b>122,238</b>
Roads and bridges.....	--	--	--	--	--	--	--	--	*****	*****	3,419
Other capital outlay.....	--	--	--	53	53	1	--	--	41,538	12,447	29,091
<b>Total Capital Outlay.....</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>53</b>	<b>53</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>*****</b>	<b>*****</b>	<b>32,510</b>
<b>Total Expenditures and Encumbrances.....</b>	<b>271,146</b>	<b>261,288</b>	<b>9,858</b>	<b>93,838</b>	<b>91,362</b>	<b>2,476</b>	<b>--</b>	<b>--</b>	<b>*****</b>	<b>*****</b>	<b>154,748</b>
Excess of Revenue Over(Under) Expenditures and Encumbrances.....	(179,636)	(169,694)	9,942	(14,372)	(11,896)	2,476	--	--	(94,986)	61,226	156,211
<b>OTHER FINANCING SOURCES</b>											
Michigan transportation fund distribution.....	156,854	156,854	--	--	--	--	--	--	784,553	784,553	--
Grants and transfers from other funds and Components.....	1,198	1,198	--	14,351	14,351	--	--	--	192,616	255,516	62,900
<b>Total Financing Sources.....</b>	<b>158,052</b>	<b>158,052</b>	<b>--</b>	<b>14,351</b>	<b>14,351</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>977,170</b>	<b>*****</b>	<b>62,900</b>
<b>OTHER FINANCING USES</b>											
Michigan transportation fund distribution.....	--	--	--	--	--	--	--	--	785,352	784,553	799
Grants and transfers to other funds and Components.....	248	2,620	(2,371)	292	244	48	--	--	229,611	230,731	(1,120)
Debt service.....	21,209	21,208	2	--	--	--	--	--	68,418	68,417	2
<b>Total Financing Uses.....</b>	<b>21,458</b>	<b>23,828</b>	<b>(2,370)</b>	<b>292</b>	<b>244</b>	<b>48</b>	<b>--</b>	<b>--</b>	<b>*****</b>	<b>*****</b>	<b>(320)</b>
Excess Other Financial Sources Over(Under) Other Financial Uses.....	136,594	134,224	(2,370)	14,059	14,107	48	--	--	(106,211)	(43,631)	62,580
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses.....	\$ (43,042)	(35,469)	\$ 7,572	\$ (313)	2,211	\$ 2,523	--	--	\$ (201,197)	17,594	\$ 218,791
(Statutory/Budgetary Basis)											
Encumbrances at September 30.....		43,132			1,412		--	--		67,862	
Funds not annually budgeted.....		--			--		(6,226)	(283)		(6,510)	
<b>Net Reconciling Items.....</b>		<b>43,132</b>			<b>1,412</b>		<b>(6,226)</b>	<b>(283)</b>		<b>61,352</b>	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis).....		7,663			3,623		(6,226)	(283)		78,946	
<b>FUND BALANCES (GAAP BASIS)</b>											
Beginning of fiscal year.....		77,004			12,367		23,739	11,978		440,126	
End of fiscal year.....	\$	<u>84,667</u>		\$	<u>15,990</u>		<u>\$ 17,512</u>	<u>\$ 11,694</u>	\$	<u>519,072</u>	



MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 1999  
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND			STATE TRUNKLINE FUND			BLUE WATER BRIDGE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>									
Taxes	\$ 1,776,210	\$ 1,776,210	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
License and permits	56,971	56,971	--	18,553	18,553	--	--	--	--
Federal aid	--	--	--	523,295	523,295	--	--	--	--
Local participation	--	--	--	43,302	43,302	--	--	--	--
Interest earnings	11,024	11,024	--	14,955	14,955	--	650	650	--
Nonoperating revenue-bridges	--	--	--	2,400	2,400	--	--	--	--
Miscellaneous revenue	51	51	--	16,756	16,756	--	10,804	10,804	--
Total Revenues	<u>1,844,257</u>	<u>1,844,257</u>	<u>--</u>	<u>619,260</u>	<u>619,260</u>	<u>--</u>	<u>11,454</u>	<u>11,454</u>	<u>--</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>									
Administration	55	55	--	354,578	332,162	22,416	9,944	2,741	7,204
Bus operating assistance grants	--	--	--	--	--	--	--	--	--
Other grants	879,608	879,607	1	187,064	130,790	56,274	--	--	--
Airport development	--	--	--	--	--	--	--	--	--
Nonoperating expenditure-bridges	--	--	--	2,400	2,400	--	--	--	--
Total Administration and Operations	<u>879,663</u>	<u>879,662</u>	<u>1</u>	<u>544,042</u>	<u>465,352</u>	<u>78,690</u>	<u>9,944</u>	<u>2,741</u>	<u>7,204</u>
Roads and bridges	--	--	--	936,297	935,745	553	405	405	--
Other capital outlay	--	--	--	41,001	24,875	16,126	--	--	--
Total Capital Outlay	<u>--</u>	<u>--</u>	<u>--</u>	<u>977,299</u>	<u>960,620</u>	<u>16,679</u>	<u>405</u>	<u>405</u>	<u>--</u>
Total Expenditures and Encumbrances	<u>879,663</u>	<u>879,662</u>	<u>1</u>	<u>1,521,341</u>	<u>1,425,972</u>	<u>95,369</u>	<u>10,350</u>	<u>3,146</u>	<u>7,204</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>964,594</u>	<u>964,595</u>	<u>1</u>	<u>(902,081)</u>	<u>(806,712)</u>	<u>95,369</u>	<u>1,105</u>	<u>8,308</u>	<u>7,204</u>
<b>OTHER FINANCING SOURCES</b>									
Michigan transportation fund distribution	--	--	--	612,708	612,708	--	--	--	--
Grants and transfers from other funds and Components	572	572	--	135,624	132,747	(2,878)	--	--	--
Total Financing Sources	<u>572</u>	<u>572</u>	<u>--</u>	<u>748,333</u>	<u>745,455</u>	<u>(2,878)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>OTHER FINANCING USES</b>									
Michigan transportation fund distribution	765,756	765,755	1	--	--	--	--	--	--
Grants and transfers to other funds and Components	212,029	199,412	12,617	11,372	16,138	(4,766)	--	7	(7)
Debt service	--	--	--	58,777	55,672	3,104	2,367	2,079	288
Total Financing Uses	<u>977,784</u>	<u>965,167</u>	<u>12,617</u>	<u>70,149</u>	<u>71,810</u>	<u>(1,661)</u>	<u>2,367</u>	<u>2,086</u>	<u>281</u>
Excess Other Financial Sources Over(Under) Other Financial Uses	<u>(977,212)</u>	<u>(964,595)</u>	<u>12,617</u>	<u>678,184</u>	<u>673,645</u>	<u>(4,539)</u>	<u>(2,367)</u>	<u>(2,086)</u>	<u>281</u>
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	<u>\$ (12,618)</u>	<u>--</u>	<u>\$ 12,618</u>	<u>\$ (223,897)</u>	<u>(133,067)</u>	<u>\$ 90,830</u>	<u>\$ (1,262)</u>	<u>6,223</u>	<u>\$ 7,485</u>
(Statutory/Budgetary Basis)									
Encumbrances at September 30		--			19,559			11	
Funds not annually budgeted		--			--			--	
Net Reconciling Items		--			19,559			11	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		--			(113,508)			6,234	
<b>FUND BALANCES (GAAP BASIS)</b>									
Beginning of fiscal year		--			452,551			(30,238)	
End of fiscal year		<u>\$ --</u>			<u>\$ 339,043</u>			<u>\$ (24,004)</u>	

Statement continued on next page.

\* The FY 99 columns for budget and actual have been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 1999  
 (In Thousands)

	COMPREHENSIVE TRANSPORTATION FUND			STATE AERONAUTICS FUND*			COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TOTALS		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>											
Taxes	\$ 63,241	\$ 63,241	\$ --	\$ 8,390	\$ 8,390	\$ --	\$ --	\$ --	\$ 1,847,841	\$ 1,847,841	\$ --
License and permits	218	218	--	253	253	--	--	--	75,995	75,995	--
Federal aid	18,578	18,578	--	51,100	51,100	--	--	--	592,973	592,973	--
Local participation	81	81	--	12,731	12,731	--	--	--	56,113	56,113	--
Interest earnings	1,365	1,365	--	681	681	--	--	--	28,676	28,676	--
Nonoperating revenue-bridges	--	--	--	--	--	--	--	--	2,400	2,400	--
Miscellaneous revenue	6,226	6,226	--	1,074	1,074	--	--	--	34,911	34,911	--
Total Revenues	89,709	89,709	--	74,229	74,229	--	--	--	2,638,909	2,638,909	--
<b>EXPENDITURES AND ENCUMBRANCES</b>											
Administration	11,587	11,331	256	10,188	8,917	1,271	--	--	386,353	355,206	31,148
Bus operating assistance grants	163,362	163,285	77	--	--	--	--	--	163,362	163,285	77
Other grants	89,570	81,362	8,209	--	--	--	--	--	1,156,242	1,091,760	64,483
Airport development	--	--	--	93,317	91,370	1,946	--	--	93,317	91,370	1,946
Nonoperating expenditure-bridges	--	--	--	--	--	--	--	--	2,400	2,400	--
Total Administration and Operations	264,519	255,977	8,542	103,505	100,287	3,218	--	--	1,801,674	1,704,020	97,654
Roads and bridges	--	--	--	--	--	--	--	--	936,703	936,150	553
Other capital outlay	--	--	--	108	108	--	--	--	41,109	24,983	16,126
Total Capital Outlay	--	--	--	108	108	--	--	--	977,812	961,133	16,679
Total Expenditures and Encumbrances	264,519	255,977	8,542	103,613	100,395	3,218	--	--	2,779,485	2,665,153	114,332
Excess of Revenue Over(Under) Expenditures and Encumbrances	(174,811)	(166,269)	8,542	(29,384)	(26,166)	3,218	--	--	(140,576)	(26,244)	114,332
<b>OTHER FINANCING SOURCES</b>											
Michigan transportation fund distribution	153,047	153,047	--	--	--	--	--	--	765,755	765,755	--
Grants and transfers from other funds and components	1,510	1,234	(276)	12,187	12,187	--	--	--	149,894	146,740	(3,153)
Total Financing Sources	154,557	154,281	(276)	12,187	12,187	--	--	--	915,649	912,495	(3,153)
<b>OTHER FINANCING USES</b>											
Michigan transportation fund distribution	--	--	--	--	--	--	--	--	765,756	765,755	1
Grants and transfers to other funds and components	300	249	51	331	267	64	--	--	224,032	216,072	7,960
Debt service	21,935	21,931	5	--	--	--	--	--	83,079	79,682	3,397
Total Financing Uses	22,235	22,180	56	331	267	64	--	--	1,072,867	1,061,509	11,358
Excess Other Financial Sources Over(Under) Other Financial Uses	132,321	132,102	(220)	11,856	11,920	64	--	--	(157,218)	(149,014)	8,204
Excess of Revenue and Other Financial Sources Over(Under) Expenditures,Encumbrances and Other Financial Uses (Statutory/Budgetary Basis)	\$ (42,489)	(34,167)	\$ 8,322	\$ (17,528)	(14,246)	\$ 3,282	--	--	\$ (297,794)	(175,257)	\$ 122,537
Encumbrances at September 30		41,136			1,605		--	--		62,311	
Funds not annually budgeted		--			--		(29,054)	(409)		(29,463)	
Net Reconciling Items		41,136			1,605		(29,054)	(409)		32,848	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		6,969			(12,641)		(29,054)	(409)		(142,410)	
<b>FUND BALANCES (GAAP BASIS)</b>											
Beginning of fiscal year		70,035			25,008		52,793	12,387		582,536	
End of fiscal year		\$ 77,004			\$ 12,367		\$ 23,739	\$ 11,978		\$ 440,126	

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF DEBT SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all State Trunkline Fund related bond issues. As of October 1, 1986, the debt service funds for the outstanding bond issues were merged by equity transfer into this debt service fund. The funds merged include the 1983 State Trunkline Fund Bond and Interest Redemption Fund, the 1984 State Trunkline Fund Bond and Interest Redemption Fund, the 1986 State Trunkline Refunding Bond and Interest Redemption Fund, and the Michigan Trunkline Bond and Interest Redemption Fund, Series II through IX. All subsequent State Trunkline Fund related bond issues are accounted for in this fund.

The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

**COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund related bond issues. As of October 1, 1986, the debt service funds for outstanding bond issues were merged by equity transfer into this debt service fund. The funds merged include the Comprehensive Transportation Bond and Interest Redemption Fund, and the 1986 Comprehensive Transportation Refunding Bond and Interest Redemption Fund. All subsequent Comprehensive Transportation Fund related bond issues are accounted for in this fund.

The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
 SEPTEMBER 30, 2000 and 1999  
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2000	1999	2000	1999	2000	1999
<b>ASSETS</b>						
Current Assets:						
Equity in Common Cash	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Amounts due from other funds	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Warrants Outstanding	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable and other liabilities	--	--	--	--	--	--
Amounts due to other funds	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:						
Unreserved	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 and 1999  
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2000	1999	2000	1999	2000	1999
<b>REVENUES</b>						
Interest earnings	\$ --	--	\$ 1	1	\$ 1	2
Total Revenues	--	--	1	1	1	2
<b>EXPENDITURES</b>						
Bond principal retirement	17,745	30,110	8,295	8,040	26,040	38,150
Bond interest and fiscal charges	29,464	27,641	12,913	13,891	42,377	41,532
Total Expenditures	47,209	57,751	21,208	21,931	68,417	79,682
Excess of Revenues Over (Under) Expenditures	(47,209)	(57,751)	(21,207)	(21,930)	(68,416)	(79,681)
<b>OTHER FINANCING SOURCES</b>						
Transfer from State Trunkline Fund	47,209	57,751	--	--	47,209	57,751
Transfer from Comprehensive Transportation Fund	--	--	21,208	21,931	21,208	21,931
Total Other Financing Sources	47,209	57,751	21,208	21,931	68,417	79,682
<b>OTHER FINANCING USES</b>						
Transfer to Treasury for Operations	--	--	1	2	1	2
Total Other Financing Uses	--	--	1	2	1	2
Excess of Other Sources Over (Under) Other Uses	47,209	57,751	21,207	21,929	68,416	79,680
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	--	--	--	--	--	--
Fund balances-Beginning of fiscal year	--	--	--	--	--	--
Fund balances-End of fiscal year	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --



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MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF TRANSPORTATION RELATED TRUST FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**TRANSPORTATION RELATED TRUST FUND**

To achieve administrative efficiencies, effective October 1, 1990, the Special Federal Bridge Replacement Trust Fund, the Federal County Road Trust Fund, the Federal Urban Transportation System Trust Fund, and the Highway Topics and Safety Program Trust Fund were combined in a single trust fund. The Metropolitan Planning Fund was added in fiscal year 2000. The functions and purposes of these funds, although combined in a single fund, remain unchanged. The following sub-funds are included:

**SPECIAL FEDERAL BRIDGE REPLACEMENT TRUST FUND**

This fund was established in conjunction with the Federal Highway Act of 1970, Section 144. The fund accounts for the federal, state, and local funding used to upgrade state and locally-owned bridges.

**FEDERAL COUNTY ROAD TRUST FUND**

This fund was established in conjunction with the Federal Highway Act of 1944, as amended. The fund accounts for the federal, state, and local money expended to meet the road construction needs of rural areas and communities with populations less than 5,000.

**FEDERAL URBAN TRANSPORTATION SYSTEM TRUST FUND**

This fund was created to administer provisions of the Federal Highway Act of 1970, as amended. The fund accounts for the federal, state, and local money expended to meet the road construction needs of communities with populations 5,000 or more.

**HIGHWAY TOPICS AND SAFETY PROGRAM TRUST FUND**

This fund was established in conjunction with the Federal Highway Acts of 1968 and 1973. The fund accounts for federal, state, and local money used to fund urban and road safety projects.

**METROPOLITAN PLANNING FUND**

This fund was established by the Federal Highway Act of 1973, Sections 112 and 134, to account for federal funds that reimburse local regional planning agencies for operating expenses.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET**  
**TRANSPORTATION RELATED TRUST FUND**  
 SEPTEMBER 30, 2000 and 1999  
 (In Thousands)

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ --	\$ 4,410
Receivables:		
Federal aid	23,771	16,760
Local units	14,798	10,180
Miscellaneous	<u>211</u>	<u>67</u>
Total Assets	\$ <u>38,780</u>	\$ <u>31,417</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Warrants outstanding	\$ 3,413	\$ 4,013
Accounts payable	25,618	23,292
Contract reserve payable	3,885	3,643
Due to other funds	3,345	--
Deferred Revenue	<u>2,519</u>	<u>469</u>
Total Liabilities	<u>38,780</u>	<u>31,417</u>
Fund Balances:		
Unreserved	--	--
Total Fund Balances	--	--
Total Liabilities and Fund Balances	\$ <u>38,780</u>	\$ <u>31,417</u>



MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**TRANSPORTATION RELATED TRUST FUND**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999  
(In Thousands)

	TOTAL	
	2000	1999
<b>REVENUES</b>		
Federal aid	\$ 166,468	\$ 115,884
Local participation	46,504	43,096
Miscellaneous	492	48
Total Revenues	213,464	159,028
<b>EXPENDITURES</b>		
Payments to contractors and miscellaneous project costs	192,527	142,321
Federal pass-through funds to locals	29,338	16,280
State participation costs incurred by locals	247	3
Local participation costs to third party	10	--
Comprehensive Transportation Fund participation costs incurred by locals	2,371	1
Total Expenditures	224,493	158,605
Excess of Revenues Over (Under) Expenditures	(11,029)	423
<b>OTHER FINANCING SOURCES</b>		
Transfer from State Trunkline Fund	8,236	96
Transfer from Comprehensive Transportation Fund	2,371	18
Transfer from other funds	610	--
Total Other Financing Sources	11,216	114
<b>OTHER FINANCING USES</b>		
Transfer to Department of Treasury for operations	1	1
Transfer to Comprehensive Transportation Fund	--	15
Transfer to State Trunkline Fund	186	522
Total Other Financing Uses	187	537
Excess of Other Financing Sources Over (Under) Other Financing Uses	11,029	(423)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	--	--
Fund balances-Beginning of fiscal year	--	--
Fund balances-End of fiscal year	\$ --	\$ --



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MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTION OF AGENCY FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**METROPOLITAN PLANNING FUND**

This fund was established by the Federal Highway Act of 1973, Sections 112 and 134, to account for Federal “pass through” funds that reimburse local regional planning agencies for operating expenses. Local money is advanced to the fund, approximately 80 percent of which is reimbursed to the local unit by the federal government. The financing accounted for in this fund consists of federal and local money. No state funds are involved.

The Metropolitan Planning Fund, was closed to the Transportation Related Trust Fund, at the end of fiscal year 2000. Changes in the financial activities of this fund subsequently changed the Department’s role from a custodial agent to a trustee.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**STATEMENT of CHANGES in ASSETS and LIABILITIES - AGENCY FUNDS**  
**METROPOLITAN PLANNING FUND**  
 SEPTEMBER 30, 2000 and 1999  
 (In Thousands)

	Balance September 30, 1998	Additions	Deductions	Balance September 30, 1999	Additions	Deductions	Balance September 30, 2000
<b>ASSETS</b>							
Current Assets:							
Equity in Common Cash	\$ 1,388	\$ 5,793	\$ 7,062	119	\$ 1,236	1,355	\$ --
Amounts due from federal	77	126	77	126	--	126	--
Amounts due from local	--	--	--	--	--	--	--
Total Assets	<u>\$ 1,465</u>	<u>\$ 5,920</u>	<u>\$ 7,139</u>	<u>\$ 246</u>	<u>\$ 1,236</u>	<u>\$ 1,481</u>	<u>\$ --</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Warrants outstanding	\$ 28	\$ 29	\$ --	\$ 57	\$ --	57	\$ --
Accounts payable and other liabilities	1,437	5,952	7,200	189	1,266	1,455	--
Total Liabilities	<u>\$ 1,465</u>	<u>\$ 5,981</u>	<u>\$ 7,200</u>	<u>\$ 246</u>	<u>\$ 1,266</u>	<u>\$ 1,512</u>	<u>\$ --</u>



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COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT 1999-2000

**STATISTICAL SECTION**



### **III. STATISTICAL SECTION**

#### **FINANCIAL SCHEDULES**

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUNDS**  
**LAST TEN YEARS**  
 SEPTEMBER 30, 2000  
 (In Thousands)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99*	1999-2000
<b>REVENUES AND OTHER SOURCES:</b>										
MICHIGAN TRANSPORTATION FUND	\$ 1,164,971	\$ 1,196,353	\$ 1,264,114	\$ 1,299,440	\$ 1,361,993	\$ 1,402,386	\$ 1,531,558	\$ 1,760,457	\$ 1,844,829	\$ 1,892,570
STATE TRUNKLINE FUND										
ECONOMIC DEVELOPMENT	81,144	77,993	85,954	125,479	132,328	111,438	100,715	100,287	114,030	109,260
TRADITIONAL PROGRAM	700,166	744,417	646,192	585,596	664,417	704,757	924,447	1,155,026	1,251,440	1,537,389
BLUE WATER BRIDGE FUND	--	--	--	--	529	1,386	536	10,580	11,454	16,535
COMPREHENSIVE TRANSPORTATION FUND	158,341	153,329	172,662	189,127	215,001	219,502	228,497	226,155	243,990	249,647
AERONAUTICS FUND	45,479	121,746	76,201	68,639	76,468	94,190	91,272	70,615	74,229	93,818
COMPREHENSIVE TRANSPORTATION BOND										
CONSTRUCTION FUND	--	--	--	--	--	--	--	--	--	--
1983 STATE TRUNKLINE BOND										
PROCEEDS FUND	--	--	--	--	--	--	--	--	--	--
1984 COMPREHENSIVE TRANSPORTATION										
BOND PROCEEDS FUND	126	28	20	10	--	--	--	--	--	--
1984 STATE TRUNKLINE BOND										
PROCEEDS FUND	54	24	17	--	--	--	--	--	--	--
1989 STATE TRUNKLINE BOND										
PROCEEDS FUND	6,368	4,579	1,015	471	--	2,381	324	253	5,508	3,514
1992 STATE TRUNKLINE BOND										
PROCEEDS FUND	--	217,169	179,099	243,403	159,098	64,312	35,622	18,373	12,288	15,312
1992 STATE TRUNKLINE CRITICAL BRIDGE BOND										
PROCEEDS FUND	--	30,179	1,013	710	433	132	111	104	76	85
1992 COMPREHENSIVE TRANSPORTATION										
BOND PROCEEDS FUND	--	35,415	1,098	1,017	1,446	--	1,064	900	1,985	730
1994 STATE TRUNKLINE BOND										
PROCEEDS FUND	--	--	--	153,363	88,044	149,869	103,710	40,051	10,615	6,984
1996 STATE TRUNKLINE BOND PROCEEDS FUND	--	--	--	--	--	--	56,391	2,079	(119)	9
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b>\$ 2,156,649</b>	<b>\$ 2,581,232</b>	<b>\$ 2,427,385</b>	<b>\$ 2,667,255</b>	<b>\$ 2,699,757</b>	<b>\$ 2,750,353</b>	<b>\$ 3,074,247</b>	<b>\$ 3,384,879</b>	<b>\$ 3,570,324</b>	<b>\$ 3,925,851</b>
<b>EXPENDITURES AND OTHER USES:</b>										
MICHIGAN TRANSPORTATION FUND	\$ 1,164,971	\$ 1,196,353	\$ 1,264,114	\$ 1,299,440	\$ 1,361,993	\$ 1,402,385	\$ 1,531,558	\$ 1,760,457	\$ 1,844,829	\$ 1,892,570
STATE TRUNKLINE FUND										
ECONOMIC DEVELOPMENT	65,698	68,920	73,125	109,076	127,426	145,609	124,129	109,345	115,337	87,927
TRADITIONAL PROGRAM	740,553	727,136	641,575	592,755	639,036	641,136	879,185	1,089,716	1,363,640	1,493,359
BLUE WATER BRIDGE FUND	--	--	--	--	7,998	30,001	--	5,271	5,220	7,728
COMPREHENSIVE TRANSPORTATION FUND	190,649	173,459	172,685	170,091	179,070	199,578	223,501	267,159	237,021	241,984
AERONAUTICS FUND	43,051	122,463	80,348	62,843	79,254	92,574	83,243	71,914	99,057 *	90,195
COMPREHENSIVE TRANSPORTATION BOND										
CONSTRUCTION FUND	--	--	--	--	--	--	--	--	--	--
1983 STATE TRUNKLINE BOND										
PROCEEDS FUND	--	--	--	--	--	--	--	--	--	--
1984 COMPREHENSIVE TRANSPORTATION										
BOND PROCEEDS FUND	2,454	46	--	639	--	--	--	--	--	--
1984 STATE TRUNKLINE BOND										
PROCEEDS FUND	37	248	--	--	--	--	--	--	--	--
1989 STATE TRUNKLINE BOND										
PROCEEDS FUND	42,154	41,432	24,176	17,137	1,796	4,405	1,066	1,519	3,126	1,582
1992 STATE TRUNKLINE BOND										
PROCEEDS FUND	--	24,330	232,520	284,386	217,576	73,640	43,521	23,027	16,050	18,886
1992 STATE TRUNKLINE CRITICAL BRIDGE BOND										
PROCEEDS FUND	--	32	3,077	12,751	10,539	4,094	157	580	242	1,123
1992 COMPREHENSIVE TRANSPORTATION										
BOND PROCEEDS FUND	--	252	7,486	4,787	3,743	--	6,569	3,545	2,395	1,013
1994 STATE TRUNKLINE BOND										
BOND PROCEEDS FUND	--	--	--	14,861	140,602	198,243	119,378	52,368	14,228	8,281
1996 STATE TRUNKLINE BOND PROCEEDS FUND	--	--	--	--	--	--	12,695	19,862	23,776	2,257
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 2,249,567</b>	<b>\$ 2,354,671</b>	<b>\$ 2,499,106</b>	<b>\$ 2,568,766</b>	<b>\$ 2,769,033</b>	<b>\$ 2,791,664</b>	<b>\$ 3,025,002</b>	<b>\$ 3,404,762</b>	<b>\$ 3,724,921</b>	<b>\$ 3,846,904</b>

\* The FY 1999 column has been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

The Economic Development Fund was created as a sub-fund of the State Trunkline Fund during fiscal year 1987-88.

(92,918)      226,561 \*      (71,721)      98,489      (69,276)



MICHIGAN DEPARTMENT OF TRANSPORTATION  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ECONOMIC DEVELOPMENT FUND**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 and 1999  
(IN THOUSANDS)

	2000	1999
<b>REVENUES AND OTHER SOURCES</b>		
Licenses and permits	\$ 14,024	\$ 12,621
Federal aid	31,943	27,615
Local participation	16,087	26,511
Interest earnings	6,197	4,677
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	733	2,329
	<hr/>	<hr/>
Total Revenues and Other Sources	109,260	114,030
	<hr/>	<hr/>
<b>EXPENDITURES AND OTHER USES</b>		
Administration	305	300
Forest roads	5,017	5,040
Target industries-state takeovers	18,169	41,330
Rural county urban system	4,115	5,745
Urban county congestion	11,411	22,772
Rural county primary	42,301	29,315
Debt service	6,608	10,834
	<hr/>	<hr/>
Total Expenditures and Other Uses	87,927	115,337
	<hr/>	<hr/>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	21,333	(1,308)
	<hr/>	<hr/>
Fund Balances-Beginning of fiscal year	62,351	63,659
Fund Balances-End of fiscal year	\$ <u>83,684</u>	\$ <u>62,351</u>

The Economic Development Fund was created as a subfund of the State Trunkline Fund during fiscal year 1987-88. The amounts shown above have been reported as part of the State Trunkline Fund in previous schedules of this report. This supplementary schedule was prepared to provide additional information pertaining specifically to the Economic Development Fund.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS ON THE OUTSTANDING BONDS**  
**STATE TRUNKLINE FUND AND COMPREHENSIVE TRANSPORTATION FUND**

SEPTEMBER 30, 2000

(In Thousands)

FISCAL YEARS ENDING SEPTEMBER 30	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			COMBINED TOTAL		
	PRINCIPLE	INTEREST	TOTAL	PRINCIPLE	INTEREST	TOTAL	PRINCIPLE	INTEREST	TOTAL
2001	18,670	28,530	47,200	10,465	11,232	21,697	29,135	39,763	68,898
2002	19,690	27,512	47,202	11,130	10,668	21,798	30,820	38,180	69,000
2003	20,780	26,422	47,202	11,545	10,057	21,602	32,325	36,479	68,804
2004	21,785	25,423	47,208	12,330	9,404	21,734	34,115	34,826	68,941
2005	22,700	24,504	47,204	13,945	8,671	22,616	36,645	33,175	69,820
2006	22,755	23,866	46,621	15,265	7,801	23,066	38,020	31,668	69,688
2007	24,670	23,495	48,165	16,135	6,935	23,070	40,805	30,430	71,235
2008	25,095	23,071	48,166	17,055	6,012	23,067	42,150	29,083	71,233
2009	25,525	22,638	48,163	18,010	5,060	23,070	43,535	27,697	71,232
2010	26,070	22,091	48,161	19,140	3,924	23,064	45,210	26,015	71,225
2011	26,750	21,415	48,165	20,190	2,876	23,066	46,940	24,291	71,231
2012	27,470	20,703	48,173	6,660	2,068	8,728	34,130	22,771	56,901
2013	28,210	19,952	48,162	6,985	1,711	8,696	35,195	21,663	56,858
2014	29,375	18,788	48,163	7,345	1,341	8,686	36,720	20,129	56,849
2015	30,975	17,190	48,165	1,780	951	2,731	32,755	18,141	50,896
2016	32,660	15,505	48,165	1,875	853	2,728	34,535	16,357	50,892
2017	34,470	13,692	48,162	1,980	750	2,730	36,450	14,441	50,891
2018	36,420	11,742	48,162	2,090	641	2,731	38,510	12,383	50,893
2019	38,480	9,683	48,163	2,200	526	2,726	40,680	10,208	50,888
2020	40,530	7,633	48,163	2,325	405	2,730	42,855	8,038	50,893
2021	42,570	5,600	48,170	2,450	277	2,727	45,020	5,877	50,897
2022	44,745	3,419	48,164	2,585	142	2,727	47,330	3,561	50,891
2023	12,170	1,975	14,145	0	0	0	12,170	1,975	14,145
2024	12,800	1,350	14,150	0	0	0	12,800	1,350	14,150
2025	13,455	694	14,149	0	0	0	13,455	694	14,149
2026	3,485	270	3,755	0	0	0	3,485	270	3,755
2027	3,665	92	3,757	0	0	0	3,665	92	3,757
<b>TOTAL</b>	<b>\$685,970</b>	<b>\$417,254</b>	<b>\$1,103,224</b>	<b>\$203,485</b>	<b>\$92,303</b>	<b>\$295,788</b>	<b>\$889,455</b>	<b>\$509,557</b>	<b>\$1,399,012</b>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000  
(In Thousands)

	<u>Totals</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>	<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Construction Supervision</u>	<u>Special Projects</u>	<u>Other Activities</u>
<b>STATE TRUNKLINE FUND</b>								
Roads and bridges	\$ 1,074,096	\$ 91,522	\$ 86,878	\$ 4,950	\$ 815,606	\$ 59,582	\$ 14	\$ 15,544
Economic development fund	81,013	612	425	--	74,356	1,617	--	4,003
Work orders - state facilities	<u>8,173</u>	<u>--</u>	<u>2</u>	<u>--</u>	<u>--</u>	<u>15</u>	<u>--</u>	<u>8,155</u>
Subtotal	<u>1,163,282</u>	<u>92,134</u>	<u>87,305</u>	<u>4,950</u>	<u>889,962</u>	<u>61,214</u>	<u>14</u>	<u>27,702</u>
<b>BLUE WATER BRIDGE FUND</b>	<u>2,277</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,277</u>
Subtotal	<u>2,277</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,277</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>								
Airport development	82,321	2,038	15,741	--	62,303	4,143	--	(1,904)
Work orders and other	<u>53</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>53</u>
Subtotal	<u>82,374</u>	<u>2,038</u>	<u>15,741</u>	<u>--</u>	<u>62,303</u>	<u>4,143</u>	<u>--</u>	<u>(1,851)</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>								
Rail freight	6,404	--	--	--	--	--	--	6,404
Bus transit	23,477	--	--	--	--	--	--	23,477
Intercity bus, rail, water	<u>6,496</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,496</u>
Subtotal	<u>36,376</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>36,376</u>
<b>BOND FUNDS</b>								
1989 State Trunkline	1,582	225	528	--	528	--	--	301
1992 State Trunkline	18,886	11,027	5,070	4	1,703	391	--	691
1992 Comprehensive Transportation	1,055	--	--	--	--	--	--	1,055
1994 State Trunkline	8,281	212	7,156	4	842	296	--	(229)
1996 State Trunkline	<u>2,257</u>	<u>11</u>	<u>--</u>	<u>--</u>	<u>2,425</u>	<u>658</u>	<u>--</u>	<u>(838)</u>
Subtotal	<u>32,061</u>	<u>11,476</u>	<u>12,754</u>	<u>7</u>	<u>5,498</u>	<u>1,346</u>	<u>--</u>	<u>980</u>
Total Capital Acquisitions	<u>\$ 1,316,370</u>	<u>\$ 105,649</u>	<u>\$ 115,800</u>	<u>\$ 4,957</u>	<u>\$ 957,762</u>	<u>\$ 66,703</u>	<u>\$ 14</u>	<u>\$ 65,484</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(In Thousands)

	<u>Totals</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>	<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Construction Supervision</u>	<u>Special Projects</u>	<u>Other Activities</u>
<b>STATE TRUNKLINE FUND</b>								
Roads and bridges	\$ 952,390	\$ 66,359	\$ 54,039	\$ 198	\$ 768,487	\$ 46,992	\$ 11	\$ 16,304
Economic development fund	98,387	1,256	6,378	--	83,300	1,979	--	5,473
Work orders - state facilities	<u>6,928</u>	<u>--</u>	<u>2</u>	<u>--</u>	<u>(21)</u>	<u>9</u>	<u>--</u>	<u>6,938</u>
Subtotal	<u>1,057,705</u>	<u>67,614</u>	<u>60,419</u>	<u>198</u>	<u>851,766</u>	<u>48,980</u>	<u>11</u>	<u>28,716</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>								
Airport development	89,550	4,190	25,565	--	44,144	12,334	--	3,318
Work orders and other	<u>56</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>63</u>	<u>--</u>	<u>--</u>	<u>(7)</u>
Subtotal	<u>89,606</u>	<u>4,190</u>	<u>25,565</u>	<u>--</u>	<u>44,206</u>	<u>12,334</u>	<u>--</u>	<u>3,311</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>								
Rail freight	6,276	--	--	--	--	--	--	6,276
Bus transit	16,821	--	--	--	--	--	--	16,821
Intercity bus, rail, water	<u>5,795</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,795</u>
Subtotal	<u>28,893</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,893</u>
<b>BOND FUNDS</b>								
1989 State Trunkline	3,126	311	5,464	--	55	--	--	(2,704)
1992 State Trunkline	16,047	5,521	3,283	552	3,068	533	--	3,090
1992 Comprehensive Transportation	2,833	--	--	--	--	--	--	2,833
1994 State Trunkline	14,181	267	6,218	159	6,769	609	--	158
1996 State Trunkline	<u>23,776</u>	<u>47</u>	<u>10,546</u>	<u>--</u>	<u>10,919</u>	<u>2,080</u>	<u>--</u>	<u>184</u>
Subtotal	<u>59,961</u>	<u>6,145</u>	<u>25,510</u>	<u>711</u>	<u>20,811</u>	<u>3,222</u>	<u>--</u>	<u>3,561</u>
Total Capital Acquisitions	<u>\$ 1,236,165</u>	<u>\$ 77,949</u>	<u>\$ 111,494</u>	<u>\$ 909</u>	<u>\$ 916,784</u>	<u>\$ 64,537</u>	<u>\$ 11</u>	<u>\$ 64,481</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999  
(In Thousands)

GRANTOR AGENCY/ FEDERAL ASSISTANCE PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE PROGRAM NUMBER	AMOUNT OF AWARD		AMOUNTS TRANSFERRED TO OTHER STATE AGENCIES		EXPENDITURE OF FEDERAL FUNDS DIRECTLY EXPENDED BY DEPARTMENT		DISTRIBUTED TO NON-STATE SUBRECIPIENTS		TOTAL	
		2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
<b>Federal Highway Administration:</b>											
Highway Research Planning and Construction (A)	20.205	N/A	N/A	\$ --	\$ --	\$ 827,312	\$ 622,254	\$ 54,308	\$ 47,922	\$ 881,620	\$ 670,176
Inter-City Motor Carrier Bus Safety Inspection Program	20.218	\$ 95	\$ 95	--	--	84	83	--	--	84	83
Total Federal Highway Administration:				--	--	827,396	622,337	54,308	47,922	881,704	670,259
<b>Federal Aviation Administration:</b>											
Airport Improvement Program (B)	20.106	N/A	N/A	--	--	56,298	49,703	383	1,324	56,681	51,027
Total Federal Aviation Administration:				--	--	56,298	49,703	383	1,324	56,681	51,027
<b>Federal Railroad Administration:</b>											
Rail Capital and Operating Assistance	20.308	--	--	--	--	283	258	--	--	283	258
Total Federal Railroad Administration:				--	--	283	258	--	--	283	258
<b>Federal Transit Administration:</b>											
Section 5309 - Capital Investment Program	20.500	23,312	9,925	--	--	604	865	6,536	9,439	7,140	10,304
Section 5311 - Public Transportation for Non-Urbanized Areas/Operating	20.509	5,301	--	--	--	1,958	843	4,302	98	6,260	941
Section 5311 - Public Transportation for Non-Urbanized Areas/Capital	20.509	--	8,846	--	--	24	17	1,735	5,183	1,759	5,200
Section 5303 - Metropolitan Planning Program	20.505	3,455	--	--	--	1,250	54	3	--	1,253	54
Section 5307 - Urbanized Area Formula Program	20.505	1,403	--			--	--	220	--	220	--
Section 5310 - Elderly and Persons with Disabilities Program	20.500	2,689	4,845	--	--	82	860	1,774	523	1,856	1,383
Section 5313(b) - State Planning and Research Program	20.500	476	--	--	--	144	177	95	179	239	356
Section 3037-Job Access and Reverse Commute Program	20.500	851	--			--	--	162	--	162	--
Total Federal Transit Administration:				\$ --	\$ --	\$ 4,062	\$ 2,816	\$ 14,827	\$ 15,422	\$ 18,889	\$ 18,238
DEPARTMENT TOTAL:				\$ --	\$ --	\$ 888,039	\$ 675,114	\$ 69,518	\$ 64,668	\$ 957,557	\$ 739,782

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

- (A) The amount of the award for the Federal Highway Administration (FHWA) highway research planning and construction program is not stated because federal financial assistance is allocated to the Department in annual apportionments, rather than grants. Any unused apportionment is carried forward into the next fiscal year. Projects programmed are not linked to a specific apportionment or obligational authority.
- (B) The amount of the award for the Federal Aviation Administration (FAA) airport improvement program is not stated because federal financial assistance is awarded to locally owned airports, and the amount of grants is not available.



### **III. STATISTICAL SECTION**

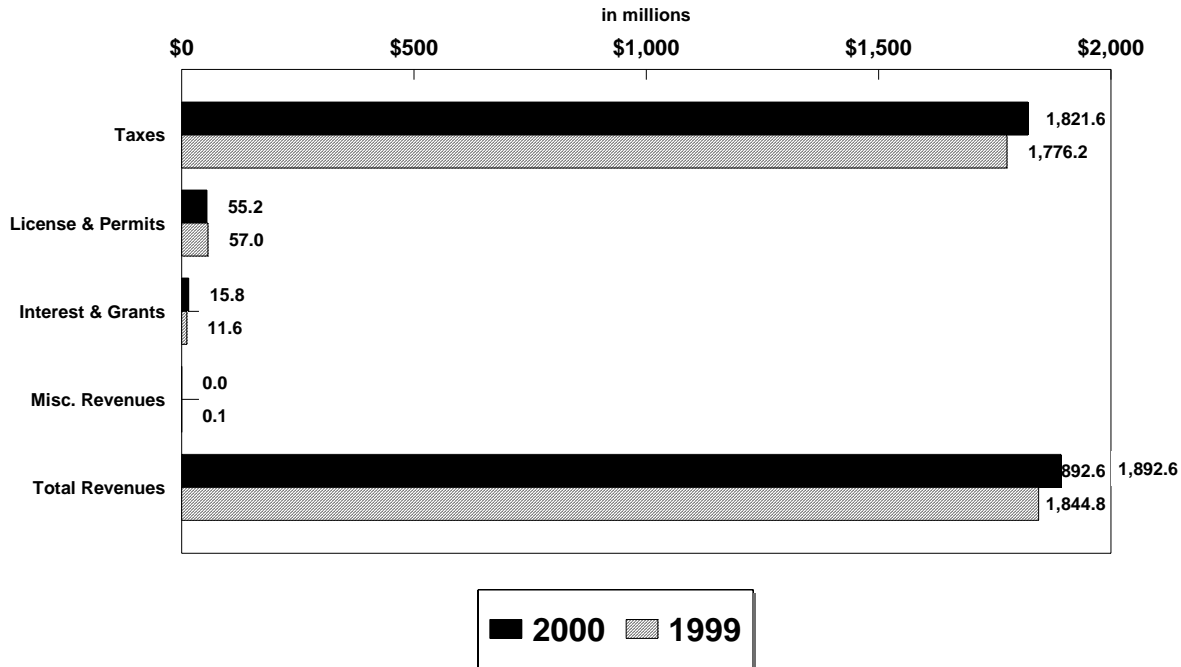
#### **GRAPHIC PRESENTATIONS**

# MICHIGAN DEPARTMENT OF TRANSPORTATION

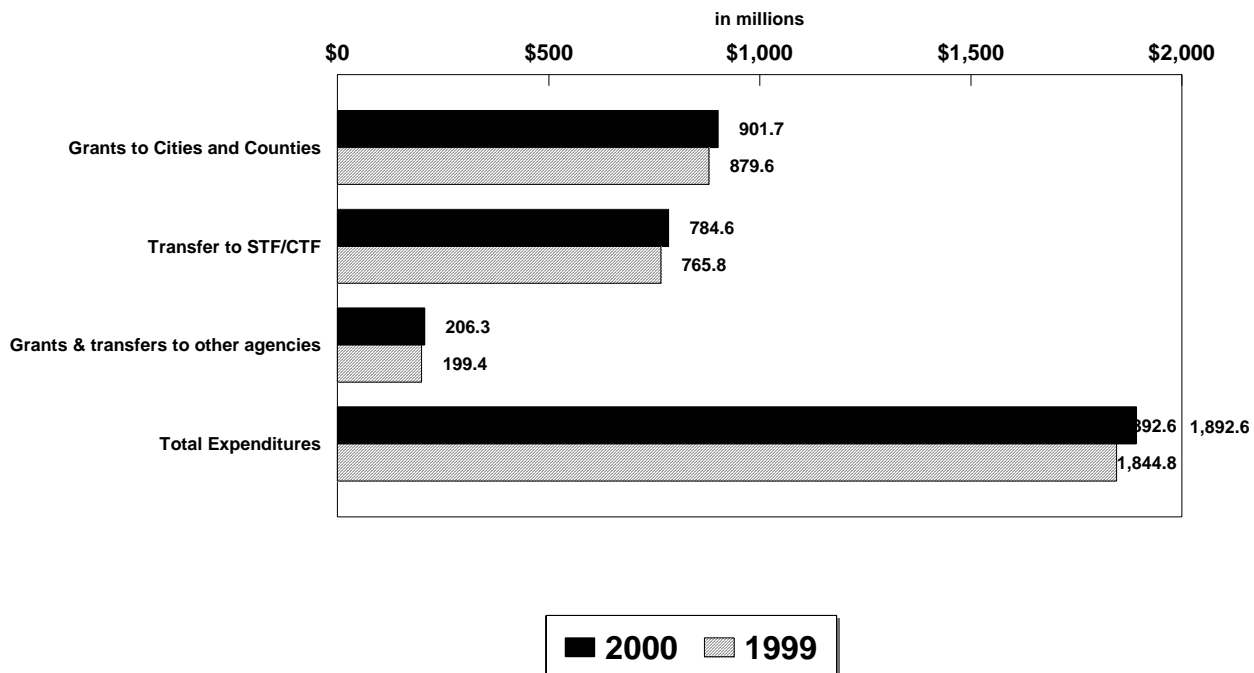
## MICHIGAN TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

### REVENUES AND OTHER SOURCES



### EXPENDITURES AND OTHER USES

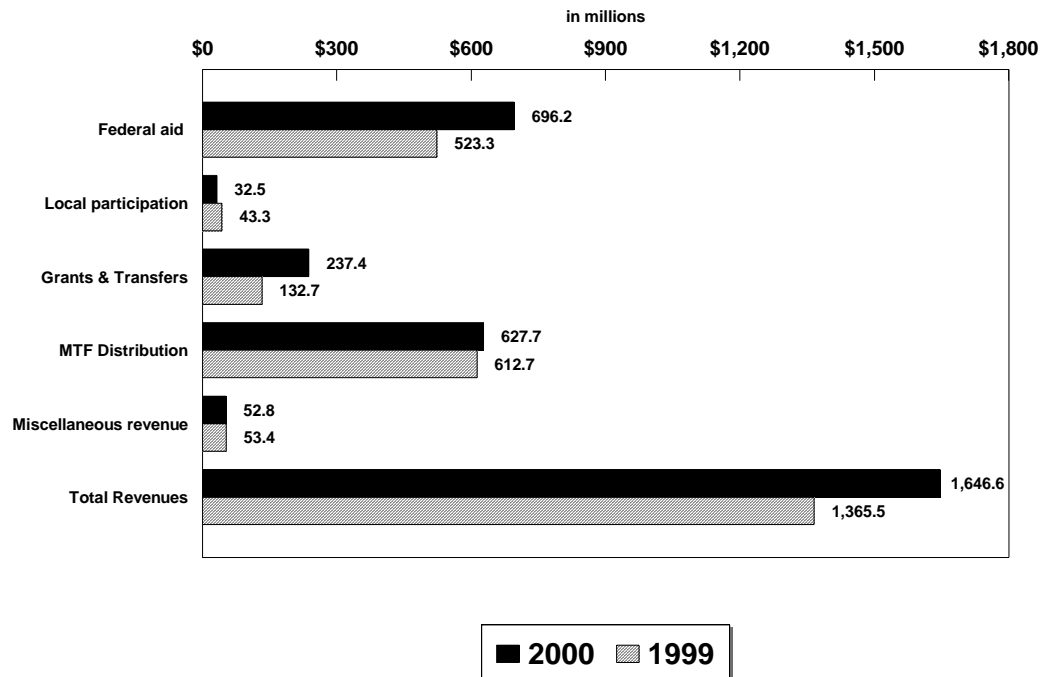




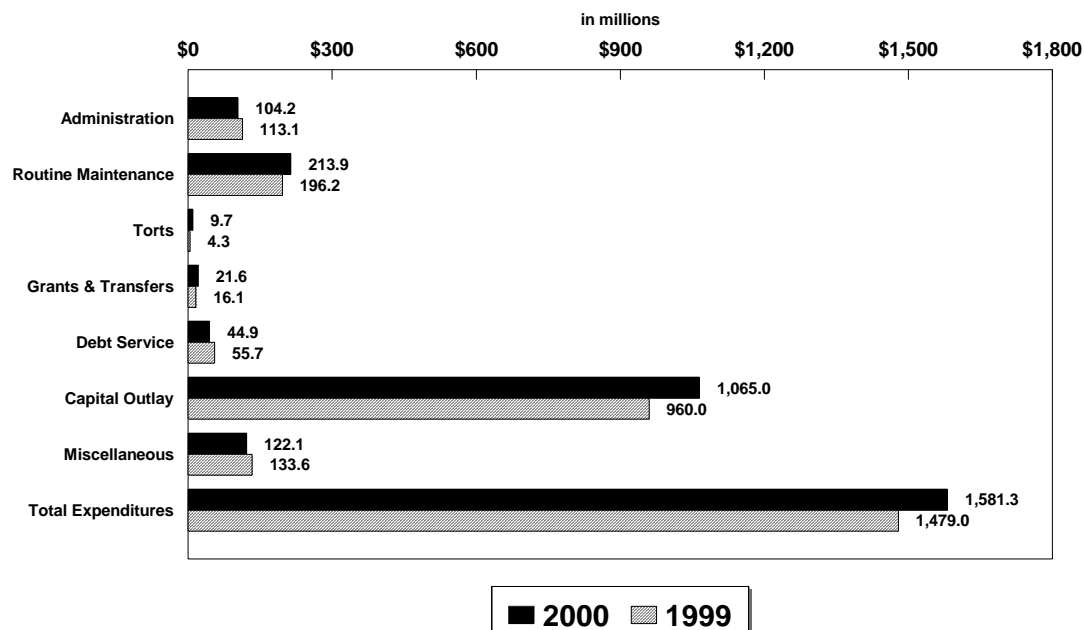
# MICHIGAN DEPARTMENT OF TRANSPORTATION STATE TRUNKLINE FUND GRAPHICS

Includes Economic Development Fund  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

## REVENUES AND OTHER SOURCES



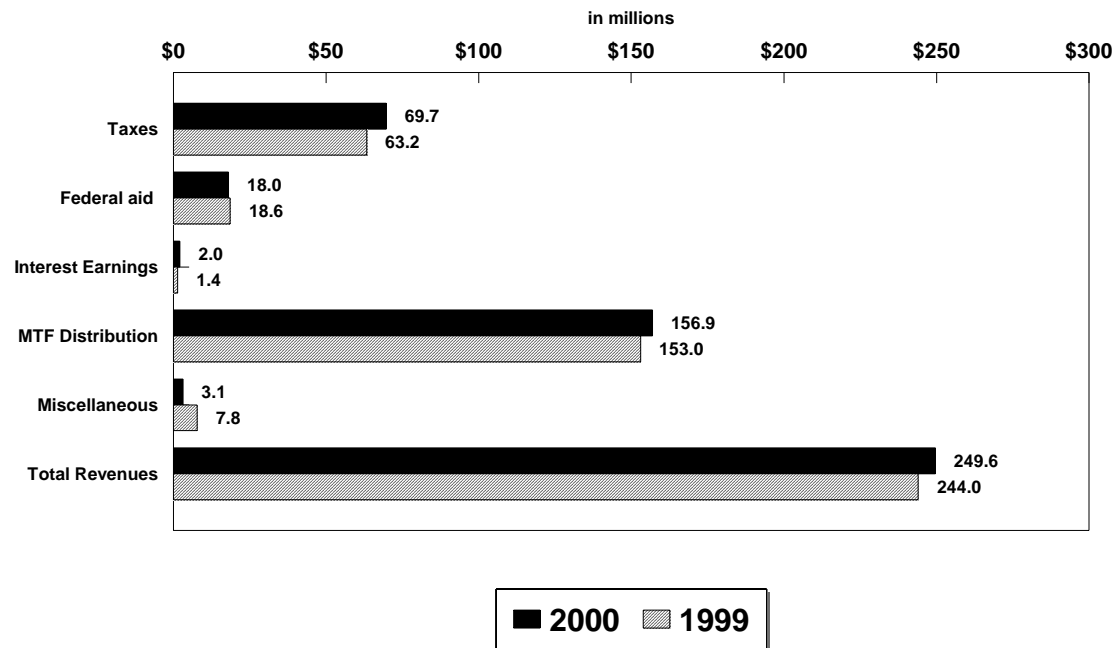
## EXPENDITURES AND OTHER USES



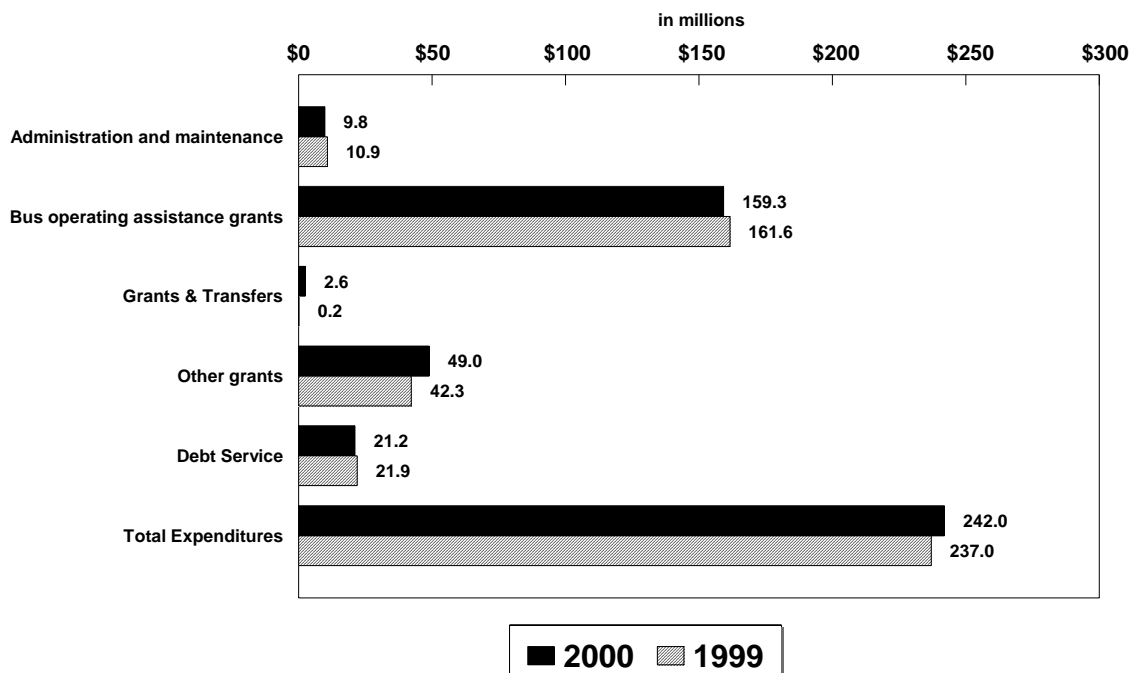
# MICHIGAN DEPARTMENT OF TRANSPORTATION COMPREHENSIVE TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

## REVENUES AND OTHER SOURCES

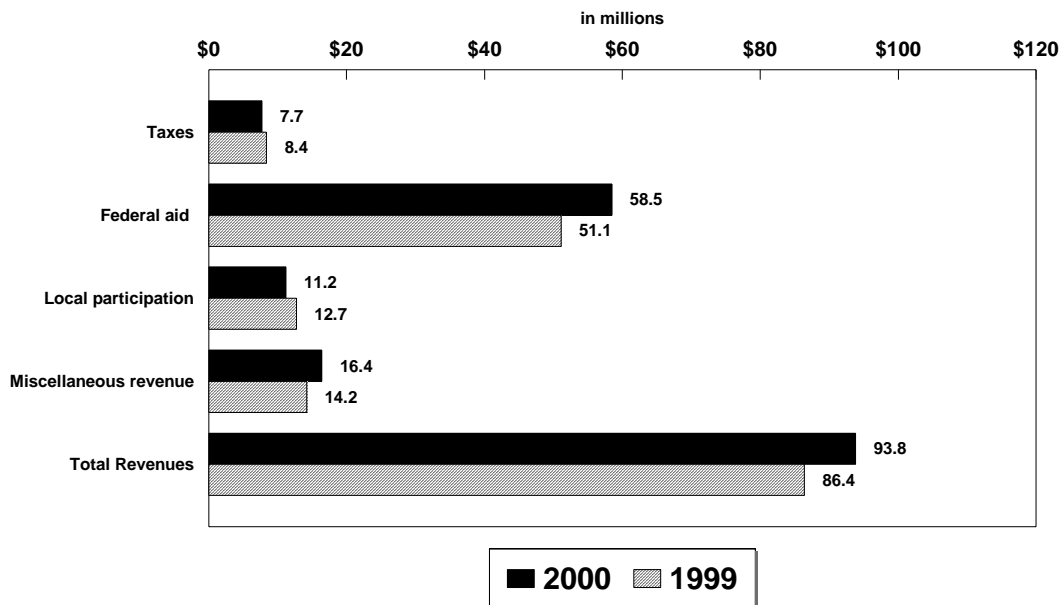


## EXPENDITURES AND OTHER USES

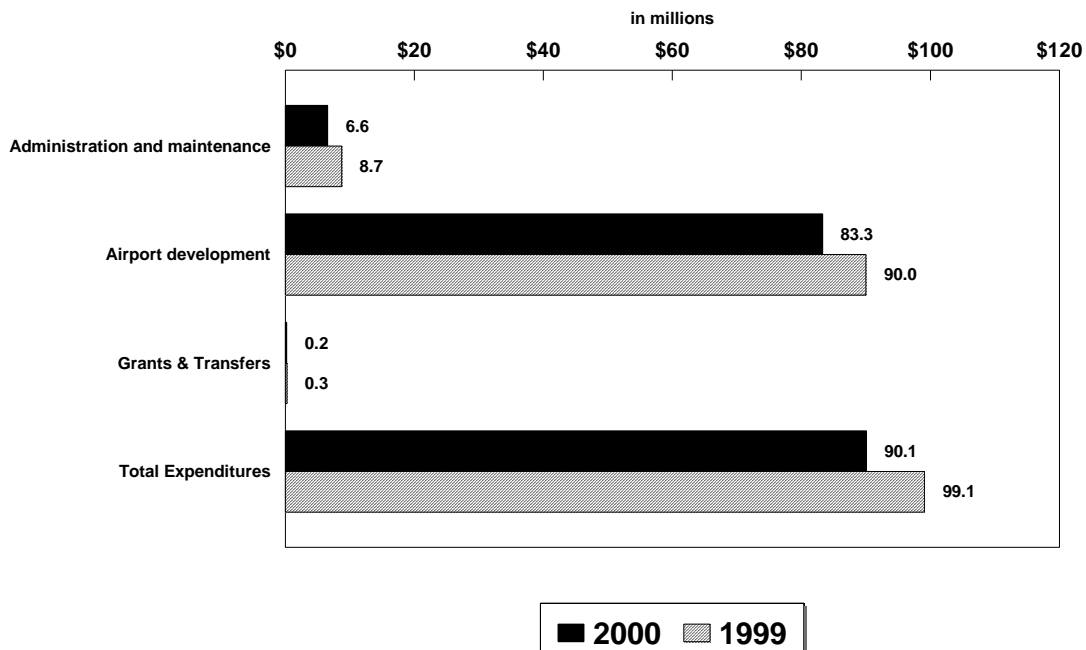


**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**STATE AERONAUTICS FUND GRAPHICS\***  
 FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

**REVENUES AND OTHER SOURCES**



**EXPENDITURES AND OTHER USES**

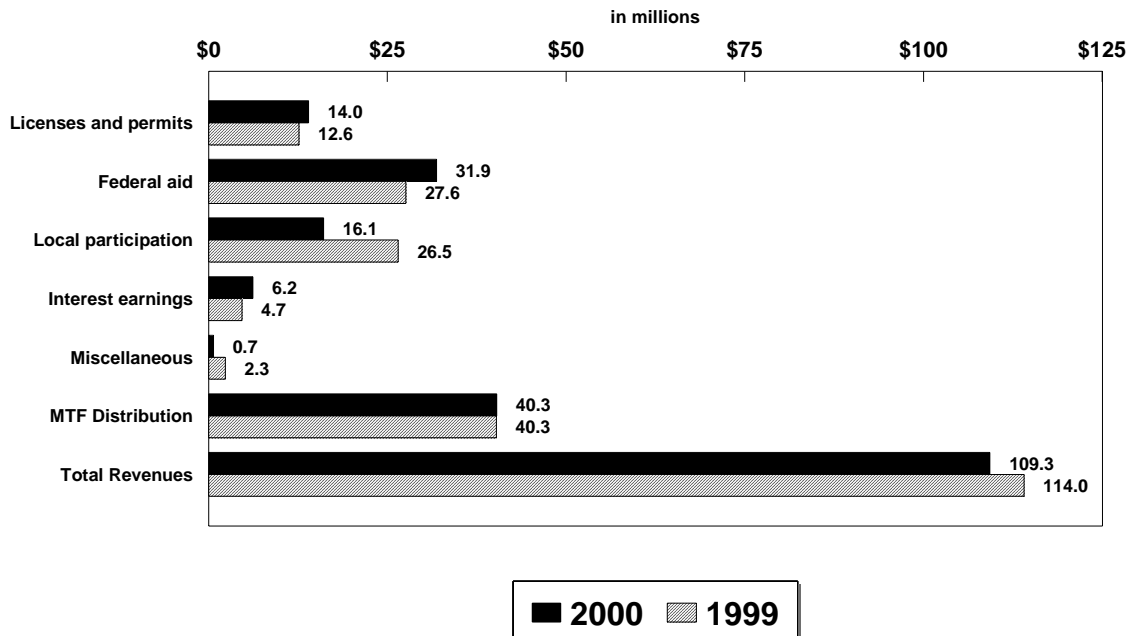


\* The FY 1999 numbers have been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

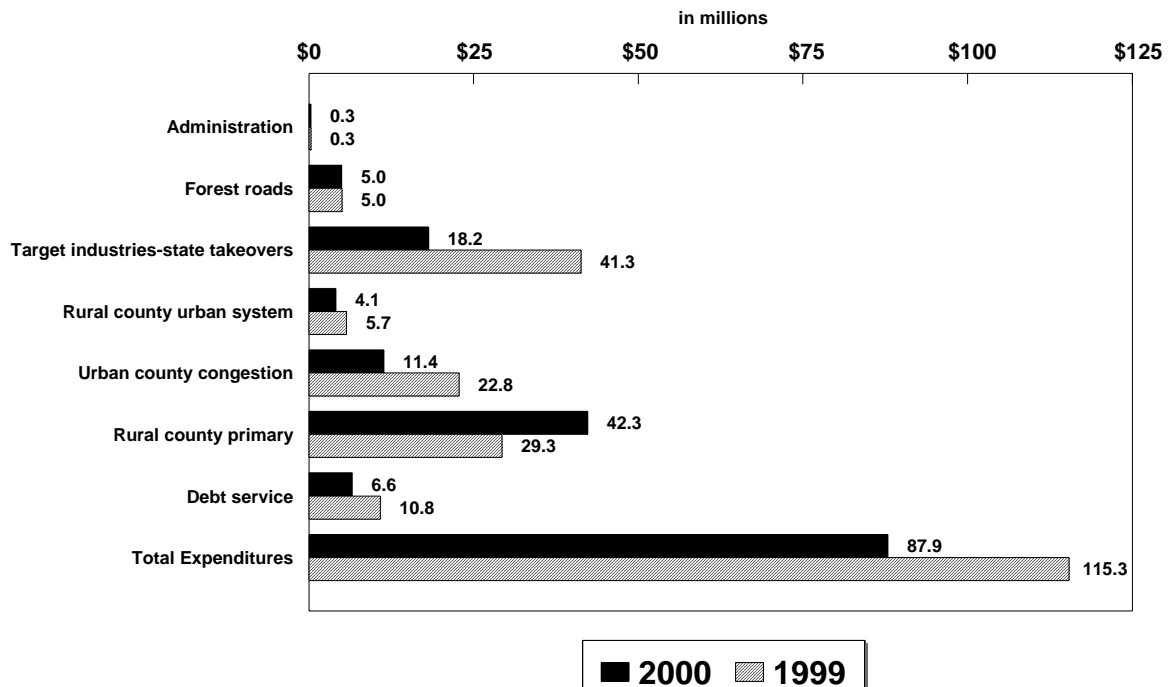
# MICHIGAN DEPARTMENT OF TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

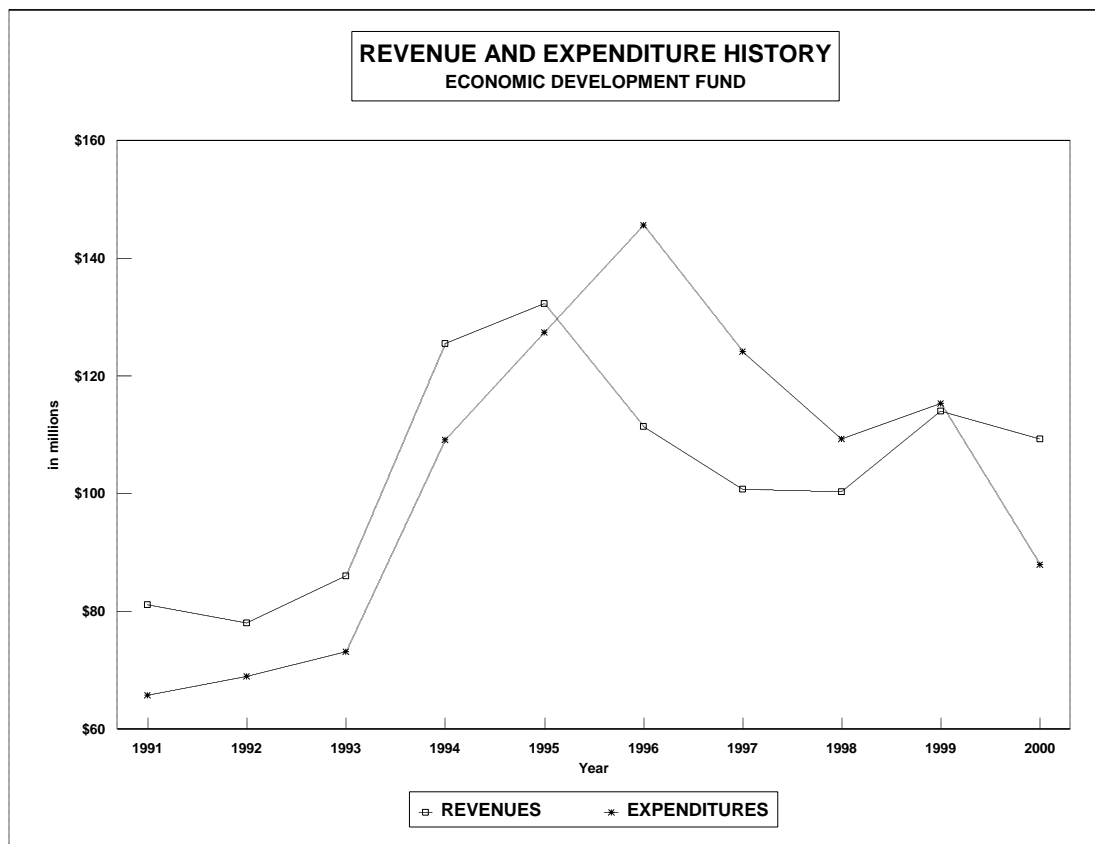
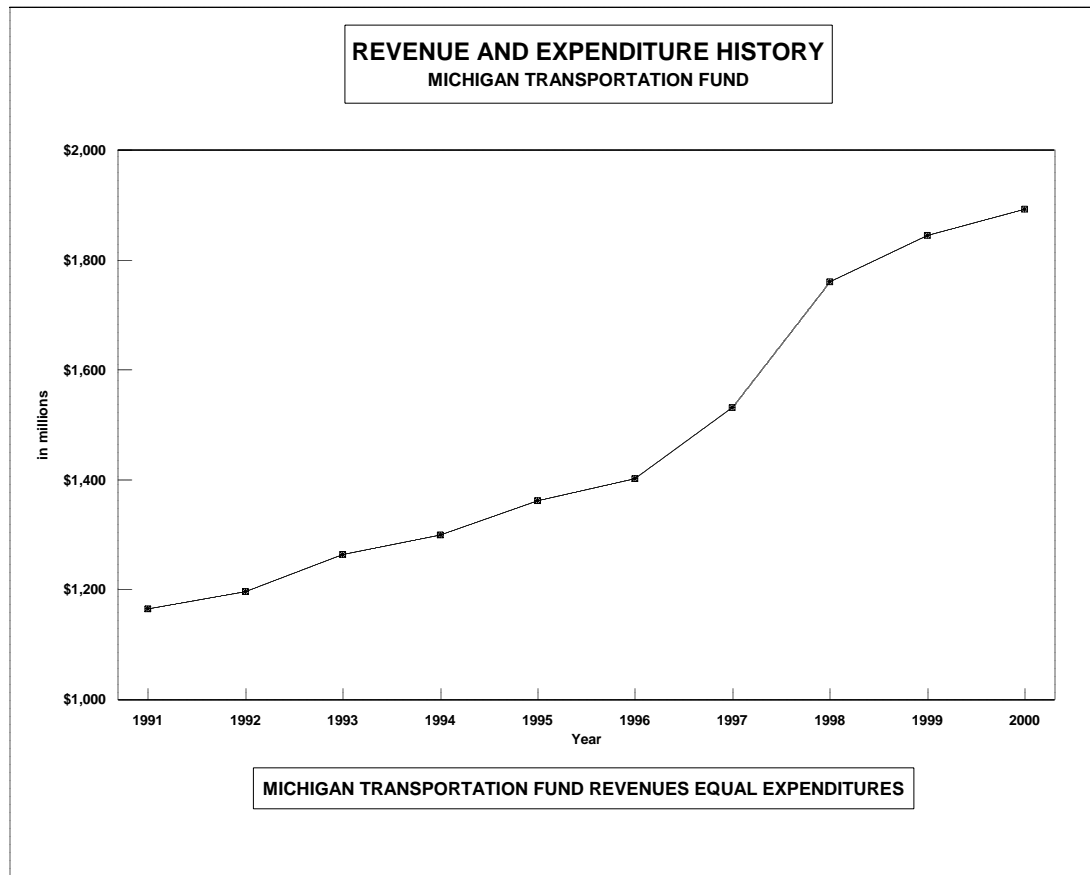
## REVENUES AND OTHER SOURCES



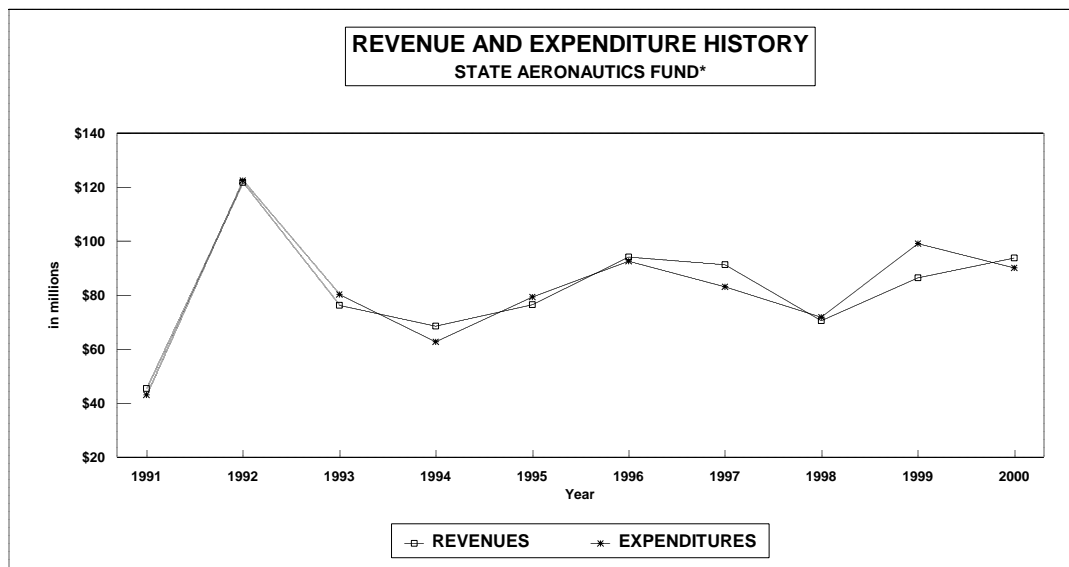
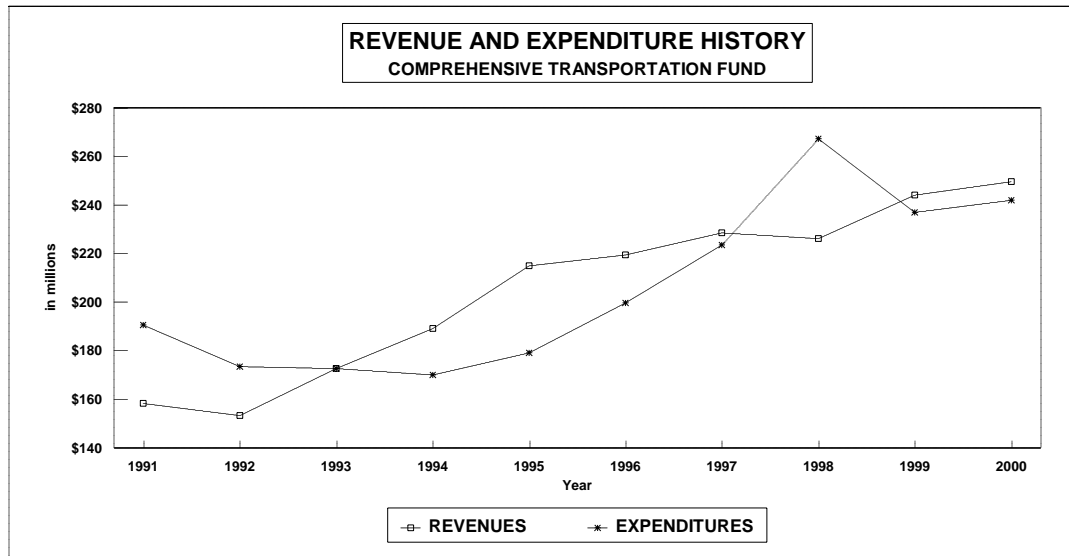
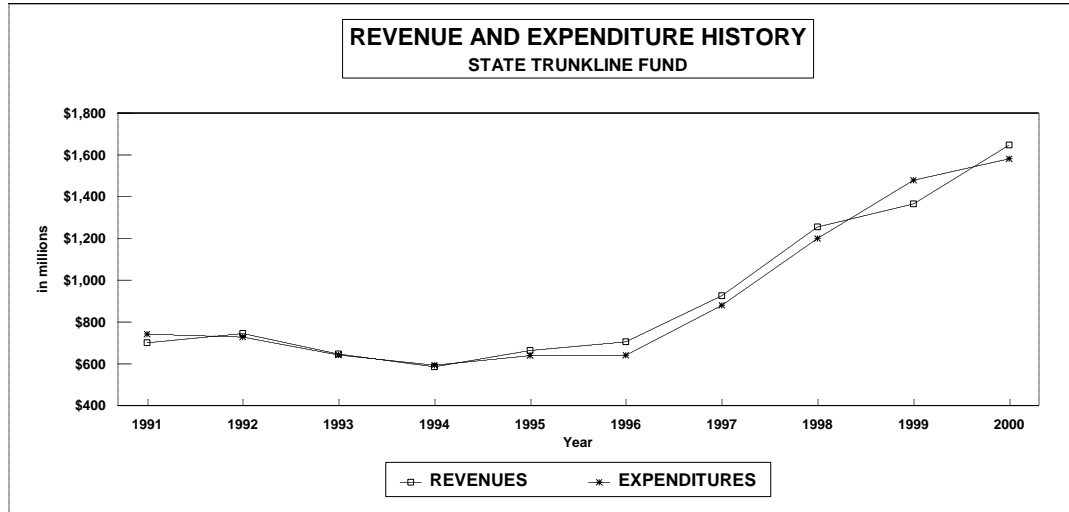
## EXPENDITURES AND OTHER USES



MICHIGAN DEPARTMENT OF TRANSPORTATION  
**TEN YEAR REVENUE AND EXPENDITURE HISTORY**  
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999



**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**TEN YEAR REVENUE AND EXPENDITURE HISTORY**  
 FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

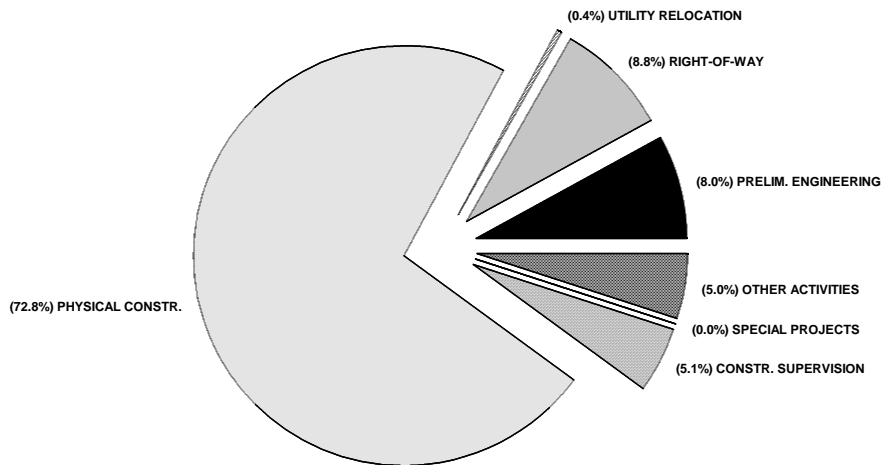


\* The FY 1999 numbers have been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
TOTAL TRANSPORTATION  
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS  
BY FUNCTIONAL ACTIVITY**

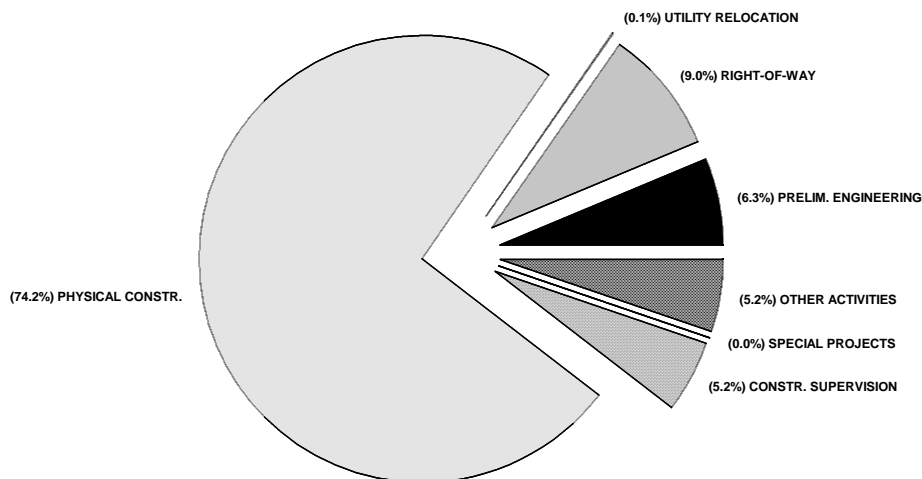
FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999

**2000**



<b>FISCAL YEAR 2000</b> (In Thousands)	<b>AMOUNT</b>
PRELIM. ENGINEERING	\$105,649
RIGHT-OF-WAY	115,800
UTILITY RELOCATION	4,957
PHYSICAL CONSTR.	957,762
CONSTR. SUPERVISION	66,703
SPECIAL PROJECTS	14
OTHER ACTIVITIES	65,484
<b>TOTAL</b>	<b>\$1,316,370</b>

**1999**



<b>FISCAL YEAR 1999</b> (In Thousands)	<b>AMOUNT</b>
PRELIM. ENGINEERING	\$77,949
RIGHT-OF-WAY	111,494
UTILITY RELOCATION	909
PHYSICAL CONSTR.	916,784
CONSTR. SUPERVISION	64,537
SPECIAL PROJECTS	11
OTHER ACTIVITIES	64,481
<b>TOTAL</b>	<b>\$1,236,165</b>